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SOUTHEAST ASIA REPORT

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INDONESIA

APPEAL OF PKI FIGURE REJECTED

Jakarta MERDEKA in Indonesian 25 Apr 83 pp 1, 11

[Text] The appeal of a leading PKI [Indonesian Communist Party] figure with many aliases and former positions was rejected by the Supreme Court, the National Court for Jakarta and the Superior Court for the capital city. In so doing, the death sentence was upheld for the defendant.

The PKI figure who was sentenced to death, Moh. Munir, alias Ranu, alias Nuri, alias Wagijo, alias Sudir, alias Astro, 46 years of age, was a former member of the politburo and central committee of the PKI, the chairman of the National Council of SOBSI [All-Indonesia Organization of Workers' Unions], leader of the South Blitar branch of the Labor Union, former member of the Supreme Advisory Council, and member of the Daily Council of the Executive Board of the National Front.

In addition to serving in the above positions, the convicted defendant also was deputy chairman, Transportation and Communications Operations, member of the Ministerial Committee for the Establishment of Business Councils, member of KOTOE [Economic Operations High Command], and member of the state committee to formulate bylaws for the MPR/DPR/DPRD (Indonesian national and regional parliaments). He has been held in detention since 14 July 1968.

The National Court of Central Jakarta with a council of judges headed by Justice T. M. Abdullah with Associate Justices Henky Ismu Azhar and David Oliie on 5 March 1973 sentenced Moh. Munir to death because of incontrovertible evidence that he sought to overthrow the Government of the Republic of Indonesia by rebellion and force of arms.

In the face of this death sentence, the ex-PKI member launched an appeal to the Superior Court of Jakarta. When this was denied, he was compelled to submit a final judicial appeal to the Supreme Court.

The Supreme Court in its decision handed down to the National Court of Central Jakarta on 28 March 1983 and 11 April 1983 rejected the appeal on the grounds that the appellant had not submitted the minutes of his appeal to the Supreme Court.

As charged by the public prosecutor Sri Husodo, the defendant along with D. N. Aidit, Nyono, Sudisman, Oloan Hutapea, Rewang, Tjugito, Suwandi, Ir. Sakerman, Ruslan, Widjayasastra, Marjadjoko and Iskandar Jusuf engaged in conspiracy to overthrow the Government of the Republic of Indonesia by rebellion and force of arms.

The first time the conspirators held a meeting in the offices of the PKI Central Committee on Jalan Kramat Raya, Central Jakarta, they decided that to overthrow the legal government they had to resort to a "military operation" and they formed a "Revolutionary Council" to replace the highest governing body in the land.

At these meetings it was also decided that the convicted conspirator Munir would be assigned to East Java to lead friends of the PKI Central Committee in their opposition to the "Council of Generals" in Surabaya. For this purpose, Munir departed Jakarta on 29 September 1965 and following on 1 October 1965, held a series of meetings in the local PKI offices in Surabaya.

At the Surabaya meetings, agreement was reached to support the PKI position as determined by the central committee in Jakarta. The following day, 2 October 1965, Munir led the preparations for a "military operation" using 3 battalions nicknamed "Mayor Jangkung," "Parikesit," and "Raider 530".

After the collapse of the G30S/PKI attempted coup, Munir held further meetings in Solo, Central Java, with D. N. Aidit who ordered the PKI to go on the offensive and not wait to be attacked by the army. The strategy chosen by Munir was to have been a total strike and armed uprising in Surabaya, while laying the groundwork for the resurgence of the PKI.

9464

CSO: 4213/64

DIFFERENT VERSION OF ALI MURTOPO'S REMARK ON 'MYSTERIOUS KILLINGS'

Kuala Lumpur NEW STRAITS TIMES in English 29 Jul 83 p 15

[Text]

JAKARTA, Thurs. — Government security agents have killed hundreds of suspected or known criminals in Indonesia, former army strongman Lieutenant-General Ali Murtopo was quoted as saying today.

His remarks, quoted widely by local newspapers, were the first official admission that Government agents were behind the summary executions, estimated by newspapers to number more than 500.

"The shooting of the criminals could be fully accounted for and was done according to the stipulations of the Defense and Security Ministry," said Gen. Murtopo, former Information Minister and now Deputy chairman of the Supreme Advisory Coun-

ct.

Fewer crimes

He said conventional ways of fighting crime could not be used in Indonesia and "the big question was, should we wipe out crime or not? The answer was yes, for the sake of the people."

He intimated that if left unchecked criminals in Indonesia could develop into a terrorist organisation like Italy's Red Brigades or the Red Army group in Japan.

Before Gen. Murtopo's statement high-ranking officials had said they were glad the crime rate in many parts of the country had fallen but had stopped short of admitting that the killings were done by Government agents. — Reuter

CSO: 4200/819

SERIOUS INTENTIONS TO INCREASE FOOD PRODUCTION NOTED

Jakarta KOMPAS in Indonesian 20 Jul 83 p 12

[Excerpt] Food procurement has at this time reached nearly 687,000 tons, while the national stock stands at 1.5 million tons. The head of the Logistics Board and minister for cooperatives, Bustanil Arifin, stated this after meeting with President Soeharto at Bina Graha on Tuesday. "We are really very serious about increasing food production," he said.

He stated that in spite of unexpected natural disturbances the national stock can be maintained. In this way, food supplies have been available for the people at affordable prices.

According to Bustanil Arifin, food production this year was greater than last year although it was somewhat low and does not match the increase in population.

Corn production, for example, is estimated at 4.3 million tons this year. Last year's production fell and amounted to only 3.4 million tons. It was 4.6 million tons the year before. Because production fell last year, more than 200,000 tons of corn had to be imported. We are not going to import corn this year. Rather, it is hoped that tens of thousands of tons will be exported from Lampung and North Sumatra.

More Than A Billion Rupiahs

Soybean production is also good, particularly in east Java. It is somewhat low in central Java. Because of this, according to Bustanil, soybean imports will also be low. Seed, however, will have to be imported to increase the quantity of seedlings.

According to Bustanil, the Logistics Board is working with the vice minister for increased food production in the area of soybean seedlings. For this purpose, the Logistics Board has earmarked more than a billion rupiahs to purchase seed this year.

Sugar production is also fairly high: it is estimated at 1.7 million tons. Even if the production falls, the drop will be very slight. Because we have a large stock, there will be no imports.

Asked about rice imports, he said that just enough will be imported to increase the national stock. If dry field rice harvests are good, imports will be reduced; if they are not good, imports will be increased.

12405
CSO: 4213/530

INDONESIA

BORDER VIOLATIONS DISCUSSED WITH PNG DELEGATION

Jakarta MERDEKA in Indonesian 29 Apr 83 p 9

[Article: "Irian Jaya Governor Says Absolutely No Grounds for PNG Unrest"]

[Text] The governor of Irian Jaya, Izaac Hindom, declared that there were absolutely no grounds for Indonesia to seize or covet PNG [Papua New Guinea] territory in connection with various border violations that had taken place.

The border violations have taken the form of road construction across the frontier or illegal crossings by residents of the area. According to Izaac Hindom, these crossings are unimportant matters because the native inhabitants of the area do not understand territorial boundaries since, formerly, they were free to come and go across the border without any restrictions.

"When it is seen above all, that the border in the Merauke area does not have distinguishing features, it is very difficult to establish a boundary. Because of this, we ask for your understanding. And with your visit here, we feel that you have extended the understanding that we seek," said the governor.

The 18 PNG officials arrived in Jayapura Wednesday afternoon on a 3-day working visit. Among the officials were four provincial governors: Utual Samana, governor of Morade; Andrew Eombon, governor of West Sepik; F. R. Gerubin Dambui, governor of East Sepik; and Pato Bultin, governor of Madang. They were accompanied by Boder, an administrative official of the Foreign Ministry, and Police Inspector Kanimo, etc.

In a meeting with the Provincial Executive Council on Wednesday evening, Utual Samana, representing the other three governors, said that their visit was for the purpose of studying Indonesian developmental concepts, especially in Irian Jaya which is the closest territory to PNG.

"From the point of view of ethnicity, the population on the Indonesian side of the border is the same as ours in Papua New Guinea," said the visitors. Because of this, if there have been border-crossing incidents that have intruded upon the territory of Papua New Guinea, Samana said, it is the responsibility of the central government, and the matter has already been discussed in Merauke from 19 to 21 April earlier this year.

Samana added that there existed mutual understanding between Indonesia and Papua New Guinea. Among villagers living along the border, there are no problems. "They get along together fine. Because of this, the border violations can be resolved through mutual understanding by both countries. This will be probed further during the 11 May meeting," he said.

Representing the visiting delegation, Samana added, "We have come in a spirit of brotherhood and mutual understanding to look at the development in this region. We represent four provinces with a combined population of 1.3 million out of Papua New Guinea's total population of 3.5 million who send brotherly greetings to you here in Indonesia."

After visiting the first transmigration site in Irian Jaya on Thursday morning at Dosai and Maribu, Jayapura District, Bas Youwe, the district chief of Jayapura, said the guests from Papua New Guinea were very impressed with the concept of transmigration in Irian Jaya. In Papua New Guinea, the implementation of transmigration is very difficult because the transmigrants have reservations that the land they will occupy will not be theirs. In connection with this matter, the guests from Papua New Guinea after their visit to Jayapura will conduct a comparative study of their own territory.

On Friday morning, the team of officials from Papua New Guinea will visit the transmigration project of Arso, Jayapura District.

On Saturday morning, before departing for home in their chartered airplane, the guests will visit various tourist sites in Jayapura and the surrounding area.

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CSO: 4213/64

INDONESIA

BAKIN CHIEF PROMISES NO UNREST DURING JAPANESE PM VISIT

Jakarta SINAR HARAPAN in Indonesian 21 Apr 83 pp 1, 12

[Article: "Concerning the Arrival of Japanese PM Nakasone--Bakin Chief Guarantees Incidents of 1974 Will Not Be Repeated"]

[Excerpts] BAKIN (State Intelligence Coordinating Body) Chief Yogo Sugama has given his assurances that the incidents of 1974 during the visit of Japanese Prime Minister Kakuei Tanaka would not be repeated upon the arrival in Indonesia of Prime Minister Nakasone. These assurances were conveyed by the BAKIN chief on Thursday morning after he was received by President Suharto at the chief of state's residence at Jalan Cendana, Jakarta.

According to General Yoga, it is evident that parties are picking up various rumors here and there. There is no truth whatever to these rumors, he said.

Yoga added that no one need be apprehensive about coming to Indonesia.

He also denied that there was a small fringe group in society that planned some protest action when Nakasone arrived in Jakarta.

Yoga submitted reports to President Suharto that touched, according to the BAKIN chief, on important matters requiring the attention of the chief of state. These matters were in connection with the visits of official guests Nakasone of Japan and Prime Minister Bob Hawke from Australia.

On Wednesday morning, also at the presidential residence, the chief of state received Ryozo Sunobe, Japan's former ambassador to Indonesia who is now Nakasone's special envoy.

According to the interpreter who attended the session, Ryozo Sunobe said that in accordance with his instruction from Tokyo, he was maintaining "a low profile".

The BAKIN chief, in response to press questions, said that his intelligence agency's new organizational structure already had been formulated. The new structure in comparison to the old one has been streamlined with fewer personnel assigned.

Yoga said that whereas formerly the office of the deputy chief of BAKIN had seven personnel assigned, this section now had been reduced to four in accordance with the reorganization that is becoming increasingly far-reaching.

Internally, Major General Rudjito has been appointed to replace Gen Benny Moerdhani as deputy chief of BAKIN. Moerdhani recently became commander of the Armed Forces. In addition to serving as deputy chief of BAKIN, Rudjito also will function as inspector general until the office he heads has its own inspectorates.

Other offices that have been reorganized at the deputy level include the Deputy Chiefs for Domestic and Foreign Intelligence. Originally, these two offices each had a single deputy. According to Yoga Sugama, if previously there occurred a work problem where both deputies had to be "tuned in," it was necessary to involve the chief of BAKIN. In the new structure, therefore, both offices are combined under one deputy.

In the new reorganization, there is also a Deputy for Security who is responsible for support, counterespionage, counterpropaganda and security.

There is also a Deputy for Intelligence Production. However, the BAKIN chief declined to give the names of any of his deputies.

Aside from the deputies, there are several implementing agencies in BAKIN.

The BAKIN chief also has a staff of experts at this disposal. These experts are in the field of politics, economics, development and security.

Responding to a question whether BAKIN personnel were military, Yoga Sugama said that as a matter of principle, BAKIN was a nonmilitary body. If in actuality many of its members were in the military, this was just a coincidence, he said.

9464
CSO: 4213/64

INDONESIA

SOVIET RECRUITMENT ATTEMPT REPORTED

Jakarta SINAR HARAPAN in Indonesian 21 Apr 83 p 1, 12

[Article: "Soviets Attempt To Recruit ASIA WEEK Correspondent in Jakarta"]

[Text] Amid the commotion surrounding the expulsion of 47 Soviet spies from France and the dismantling of a KGB network in Japan, it appears that agents from the land of the "Red Bear" have not slackened their activities in Jakarta--or so the evidence would indicate, when a Soviet attempt was made at the beginning of April to recruit the Jakarta correspondent of ASIA WEEK, a weekly magazine from Hong Kong.

The ASIA WEEK correspondent, Zoher Abdoolecarim (age 26), on 3 April, at about 10 pm was approached by a man who identified himself as Lieutenant Colonel Konstantin. The two persons at this time were at the bar and restaurant "George and the Dragon" on Jalan Telukbetung, Central Jakarta. Konstantin asked if Abdoolecarim would be disposed to "dig up" information concerning Indonesia to serve Soviet interests. In exchange, the ASIA WEEK correspondent was offered \$100,000 to \$200,000 a month if the information was worthwhile.

Zoher Abdoolecarim, who has been stationed in Jakarta since last September, was having supper when a Caucasian male approached him. He introduced himself Lieutenant Colonel Konstantin, the new assistant military attache at the Soviet Embassy. After an appropriate exchange of pleasantries, Konstantin began asking Abdoolecarim about the problem of China (the journalist in fact had just completed an article on China for ASIA WEEK).

Konstantin also asked why Abdoolecarim was a journalist instead of a merchant where he could earn much more money. The ASIA WEEK correspondent thought that the man was the Eastern European accent wanted at most to make a professional contact--as is customary between a diplomat and a journalist--for the exchange of information. However, later it became evident that Konstantin only wanted to get information, not give any. He even said, "I guarantee that our contact together can bring you great profit." "What kind of profit?" asked Abdoolecarim. Konstantin answered, "You give me information and I pay for it. We do business together." Later the Russian diplomat mentioned payments of \$100,000 to \$200,000 if the information furnished by Abdoolecarim was very good.

Konstantin then began to work up a schedule of meetings for each Friday. After listening to all of this, Abdoolcarim politely declined the recruitment offer. The Soviet diplomat then departed saying, "We can still be friends."

The ASIA WEEK correspondent who was born in Hong Kong and educated in the United States, later sought to make contact by telephone with the Soviet Embassy. An embassy official verified to him that the military attache assigned to the mission was Lt Col Konstantin Birkov.

Abdoolcarim related to SINAR HARAPAN that in the telephone conversation with Konstantin Birkov, he recognized the voice of the man with whom he had spoken at the George and the Dragon. When Abdoolcarim asked if the party on the line remembered him, their meeting at the restaurant, and their conversation, the voice at the other end said "possibly," and responded to two or three other questions by saying, "maybe." Then, the party on the line asked "Would you like to make contact?"

Abdoolcarim reported the above incident by secret, private letter to his superiors in Hong Kong. Coincidentally, at the time ASIA WEEK magazine was preparing an article on the Soviet espionage network in Japan. When the edition (of 22 April--appeared in Jakarta on 20 April) hit the newsstands, it contained the account by Abdoolcarim on page four. The incident which occurred to Jakarta's ASIA WEEK correspondent resembled that experienced by NEWSWEEK Bureau Chief Scot Sullivan in Paris. The difference was that Sullivan managed to stay in contact with a member of the information section of the Soviet Embassy in Paris for 3 years. The Russian official with whom Sullivan was in touch was named Viktor Bochkov, one of the 47 Soviet Embassy members who were expelled last month by the French Government.

The previous Soviet military attache in Jakarta was Sergei Egorov. He also was a lieutenant colonel. He and Alexander Finenko, the Aeroflot representative in Jakarta, were expelled from Indonesia on 6 February 1982 for espionage activities. An Indonesian naval officer, Lieutenant Colonel Drs Soesdaryanto also was involved with them.

9464
CSO: 4213/64

INDONESIA

BORDER VIOLATION IN IRIAN JAYA EXAMINED

Jakarta TEMPO in Indonesian 23 Apr 83 p 12

[Article: "This Time It Wasn't the OPM"]

[Text] The border problem between Indonesia and Papua New Guinea has erupted once again, but this time the cause was not the OPM (Opposition for a Free Papua). Last Monday, Jakarta's envoy in Papua New Guinea [PNG], Imam Soepomo, was summoned to the PNG Foreign Ministry in Port Moresby. The secretary general of the Foreign Ministry, Paulias Matane, advised Soepomo that the trans-Irian highway that Indonesia was constructing north of Merauke had crossed into the territory of Papua New Guinea.

According to Matane, evidence of the border violation was disclosed in aerial photographs taken from helicopters by the PNG National Mapping Service during last 31 March to 4 April. Ambassador Soepomo was requested to contact Jakarta for clarification of the issue. The verbal notification of the alleged violation was followed later by a diplomatic note. In the written note, the Government of Papua New Guinea requested the Government of Indonesia to stop the construction of the trans-Irian highway temporarily and not to progress any further at the two points where the road crosses the border into PNG territory until the entire matter is resolved.

According to a TEMPO source in Port Moresby, the trans-Irian Jaya highway, whose construction began 2 years ago, crosses the border at two points. Each point runs for 3.5 kilometers inside PNG territory at a location about 60 kilometers north of Merauke in the direction of Tanah Merah. The two points where the road crosses into PNG territory are located between the Wanggeo and Bensbach Rivers north of Sotar. At one point, the road penetrates .5 kilometer and at the other point 1.5 kilometers into PNG territory.

A number of parties in Papua New Guinea are inclined in general to view the problem obdurately. Perry Zeiti, the parliamentary member representing South Fly--the area where the "violation" occurred--expressed his "deep concern and pressed the government to take a serious view of the matter." Some of the popular media also urged the authorities to lodge a strong protest with the Indonesian Government. One newspaper even took the view that the road construction across the border was not an inadvertent error on the part of the road contractor, but rather "the beginning of a plan to invade Papua New Guinea."

The position of the PNG Government, on the other hand, has been one of restraint. Foreign Minister Rabbie Namaliu told the press last week that if the problem could not be resolved at the diplomatic level, he would raise it at the political level with his colleague, Indonesian Foreign Minister Mochtar Kusumaatmadja.

Although Deputy Prime Minister Paias Wingto expressed dismay over the incident, he added that it was too early to blame the Indonesian Government. "I know that the road was constructed in a very isolated area. It's very difficult to know if you are really on the edge of the border, because you hardly ever see any boundary markers," he said.

A week ago, the commander of the PNG Defense Forces, Brig Gen Gago Mamai, told the press that a patrol numbering 35 men had been sent to the area to check on the construction of the road in question.

The TEMPO source at the Indonesian Embassy in Port Moresby rebutted the impression that a "border incident" might have occurred between Indonesia and Papua New Guinea. "A problem that has a technical origin in the cartography and field surveys of the area has arisen. Therefore, it is anticipated that the matter can be settled through cooperation by technical teams on both sides," said the source.

The source also explained that the Indonesian Government was in the midst of building a road about 250 kilometers in length which would connect Merauke-Bupul-Tanah Merah. The road is part of the trans-Irian Jaya highway expected to be completed in 2 1/2 years. This fact already was conveyed in a 1981 edition of the INDONESIAN NEWSLETTER which was distributed to all government agencies, including the media, in Port Moresby.

According to statistical data for 1980-81, Irian Jaya has provincial roads amounting to 1,072 kilometers in length of which only 177 kilometers are asphalt-paved. It also has 1,840 kilometers of district roads of which 501 kilometers are asphalt-paved. In the Third 5-Year Development Plan, Maluku and Irian Jaya have been allocated a district road-building quota of 1,300 kilometers. Merauke, the district with the greatest land area in Irian Jaya, in 1982-83 is receiving Inpres (presidential instruction) funds amounting to 373 billion rupiah for road infrastructure development. It is hoped that this development will help open up the territory especially for transmigration.

In response to the charges of border violation, Foreign Minister Mochtar Kusumaatmadja declared last week that the Indonesian Government was looking into the accusation. It is possible the incident arose, said Mochtar, because along the 850 kilometer-long, heavily forested boundary there are only 14 boundary markers. To determine if a violation has occurred, it will be necessary to conduct an investigation in the field.

Before this latest incident came to the fore, all border problems centered on the OPM groups who fled across the boundary into PNG whenever Indonesian troops were after them in hot pursuit. The position of the PNG Government under Prime Minister Michael Somare toward the OPM has been very firm. Foreign

Minister Namaliu declared once again last week that "PNG does not recognize the OPM and does not permit its members to use the territory of Papua New Guinea to shelter a separatist movement. All differences between Indonesia and Papua New Guinea must be resolved by diplomatic means."

Regarding the latest dispute, it is widely hoped that the matter can be resolved at a meeting of the Joint Border Committee in Merauke from 19-21 April. Before this takes place, a team led by Maj Gen Pranoto Asmoro, the chairman of the National Cartography and Survey Coordination Board, arrived in Jayapura last week to investigate the alleged border violation.

9464
CSO: 4213/64

MUSLIM DEMAND FOR BOOK REVISION MET

Bangkok BANGKOK POST in English 8 Aug 83 p 2

(Text)

JAKARTA
INDONESIAN authorities Saturday started destroying more than 8.7 million school books on civic education, as a concession to longstanding requests by Muslim groups here who claimed that the books were belittling Islam.

Education and Culture Minister Nugroho Notosusanto on Friday made the symbolic gesture of sending off one truck carrying part of the controversial books to a paper mill in East Java where they will be turned into paper pulp.

Some seven million new books already have been printed as part of the 40 million that are to gradually replace the old texts in schools before the end of 1984, the daily *Kompas* said Saturday.

The move ends the year-long controversy over the books, which were made in 1979-80 in line with a 1978 decision by the People's Consultative Assembly (MPR) pre-

scribing that all students from elementary to secondary level be instructed in the code of ethics according to the Pancasila state philosophy.

The Pancasila is the single national ideology which all socio-political groups are called upon to uphold. It encompasses five points: belief in one God, humanity towards others, nationalism, democracy and social justice. Muslims have opposed it since its conception in 1945.

The MPR's 1979 session also decided that all of Indonesia's 150 million inhabitants should undergo a civic instruction course on the state philosophy. Six million have completed the course.

But the old texts, called Pendidikan Moral Pancasila (PMP) books, an abbreviation for "education in the Pancasila philosophy morals," encountered

much criticism from Muslims, who have made Indonesia the world's largest Muslim nation in terms of population.

Last August 23, Parliament received a petition signed by 53 Islamic figures including a former Indonesian head of state (temporary), Syafruddin Prawiranegara, and former prime minister Mohammad Natsir, both major Muslim leaders in the 1960s.

They asked for a revision of the books, which they said contravened Islamic teachings, the Indonesian constitution and the Pancasila state philosophy itself.

One of the disputed points concerned the book's statements that all religions strived towards the same goal: belief in God. In an unsigned document published last year, critics interpreted the statements to mean that all religions are the same, which they said was unacceptable. — AFP

CSO: 4200/844

FAMILY PLANNING TARGETS SET

Kuala Lumpur BUSINESS TIMES in English 11 Aug 83 p 21

[Article by Diana Smith]

[Text]

INDONESIA has set itself a new target for the use of contraception in the year 1983-84. Minister of Health Dr Soewardjono Suryaningrat says the goal of 12.7 million current users and 3.5 million new users of contraception must be reached if the country is to achieve a reduction in its fertility rate of one-half by 1990.

Eleven provinces have been selected for intensive efforts. They include West, Central and East Java, North Sumatra, Jakarta, Lampung and South Sumatra. Targets in each region will vary according to the density of its population.

The aim is to achieve a 65 per cent acceptance rate on the crowded islands of Java and Bali, and one of about 25 per cent for fertile couples on the less populated islands.

The campaign will encourage the use of the intrauterine device (IUD). Although the Pill remains the most commonly accepted method of contraception in Indonesia, the drop-out rate is high.

One senior hospital administrator at the Mother and Child Hospital in Jakarta said that knowledge about IUDs is growing and 70 per cent of new users of contraception at the hospital have had a coil inserted. Difficulties that have to be overcome are the women's reactions to the bleeding problem the IUD can cause and taboos against the physical contact IUD insertion demands.

In Bali, a predominantly Hindu community, family planning programmes have already been highly successful.

To begin with, responsibility for IUD insertion and follow-up was transferred from a few clinics run by doctors to a larger number of units run by paramedical workers. A woman rarely has to travel more than five kilometres to find a clinic where IUD insertions are performed.

Just over half of all eligible couples use some form of contraception in Bali. Seventy per cent of users have IUDs, 30 per cent the Pill and the other

67% use condoms or have been sterilized.

Attitudes towards vasectomy are changing in Indonesia. There has been some resistance from Islamic groups, but some are beginning to feel that those who seek contraceptive advice should be allowed to make their own decisions.

In Bali, where the vasectomy programme is relatively new, 2.7 per cent of couples have opted for it and it is felt that more would do so if the operation was more easily available.

At present, however, the national figure for sterilization is only 8.3 per cent, according to Dr Harryono Bayone, president of the Family Planning Board, although this may increase now that mobile teams are at work in the country.

One team of 10 paramedics from the Bethesda Hospital in Yogyakarta provides a vasectomy service to

towns and villages in the area around the hospital. During a day's visit to health centres, the paramedics are able to conduct up to 120 operations. The hospital also provides a vasectomy programme for outpatients.

Increasing the services of the mobile family planning clinics will be an important part of the programme planned for other parts of Central Java. Some clinics are to be extended to three journeys per week, and new family planning units will be encouraged to set their own local targets for new acceptors.

Indonesia has a population of over 150 million which is growing at the rate of 2.5 per cent per year. Many groups within the country feel that a substantial drop in the fertility rate is only possible if health standards for the rural poor can be improved.

Unicef in Indonesia plans to support the programme by integrating

its activities, aimed at reducing infant mortality, into the family planning services network.

Its representative in Jakarta, Victor Sober-Sala, believes infant mortality can be reduced from 86 deaths per 1,000 to under 50 by 1980.

Unicef is working with the government to 'piggy back' nutrition programmes on existing family planning services and will now help to integrate the Extended Programme of Immunisation (EPI) with this system.

Whether these activities will be enough to enable Indonesia to reach its targets for a reduction in population growth rates, without further measures which will act as incentives to family planning, remains to be seen. The government has not yet devised a national incentives programme, but it has not been ruled out, and local initiatives are being encouraged. — People

CSO: 4200/844

ENVIRONMENTAL PRESSURES ON JAVA CITED

Jakarta KOMPAS in Indonesian 20 Jul 83 p 12

[Text] The island of Java is facing several heavy environmental pressures as a result of the pressing need for land for crops and industries. For this reason, space and land use planning for Java is extremely important.

This was stated by the minister of state for population and environment, Prof Dr Emil Salim, during a panel discussion commemorating National Agriculture Day XI-1983 in Jakarta on Tuesday. The vice minister for food, Wardoyo, and the head of the body for agricultural research and development, Sadikin Sumintawikarta, were present.

According to Emil Salim, at this time, Java is the pillar of food production because 60 percent of national rice output is produced here; the island has 29 percent of rice paddies and 50 percent of irrigated land.

Pressures From Industries

At the same time that Java is the chief producer of rice, its industries are also developing. For this reason, large areas of farmland are being pushed back by industry as is happening in the northern parts of west, central and east Java. Those areas make up the rice store houses (Karawang, Bekasi) and irrigation networks (Jatiluhur reservoir).

He also said that Java must develop in this way as the island, whose population has reached its maximal limits, no longer possesses the natural resources to support its population. Because Java cannot be expanded anymore, technology must be developed. This means that industry must expand so it can create job opportunities and income.

Java's population density is very high. For example, in Klaten there are 1,075 people per square kilometer, or 10-11 people per hectare. In the trans-migration areas, there are five people (one family) per 2 hectares.

Making Use of Land

To work the limited amount of land, Emil Salim suggested optimal use of land by first determining the restrictive factors. In Java, water, as well as land, is a restricting factor.

In the future, irrigated land will become more scarce because people tend to settle in areas, such as river banks, where water is plentiful. By the year 2000, water will be difficult to get because of competition among rice paddies, people and industry.

It is for this reason that space use planning in Java must make the optimal use of water. This will create a problem for sugarcane and food production. Also, farming will eventually have to shift to swamp land where it is difficult to develop industry.

Overcoming pressures on the rice paddies in Java, according to Emil Salim, does not mean it will be necessary to switch from irrigated rice farming to nonirrigated rice farming. Nevertheless, farming on dry land must be developed because dam construction is very expensive and would compete with needs for electricity.

12405
CSO: 4213/530

MANY CHINESE MUSLIMS CONSIDER THEMSELVES NATIVE INDONESIANS

Jakarta HARIAN UMUM AB in Indonesian 20 Jul 83 p 12

[Text] A large number of the approximately 400,000 people of Chinese descent who profess the religion of Islam in Indonesia consider themselves native Indonesians and no longer want to be known as Chinese. This trend enhances the process of racial assimilation.

This was stated by the head of the Foundation for Promoting Model Muslims, Jusuf Hamka, to the press in Jakarta on Tuesday afternoon after meeting with coordinating minister for public welfare, H. Alamsyah Ratu Prawiranegara.

Jusuf, who met the minister together with the head of Ukhudah Islamiah Foundation, H. Junus Jahya, and the head of the Islam Tauhid Union of Indonesia (ITUI), Herman Santoso, explained that the motive for most of the Chinese who embrace Islam is their own awareness.

He said that now an average of eight people of Chinese descent become Muslims every day, and most of them are members of the younger generation and students.

Jusuf Hamka said that their feeling of already being native Indonesians makes it difficult to find out their actual number.

The head of the Ukhudah Islamiah Foundation, Junus Jahya, mentioned that only about 25,000 to 50,000 people of Chinese descent have already embraced Islam throughout Indonesia.

"That figure represents only the visible ones," Jusuf Hamka said, adding that, according to statistics collected by the Foundation for Promoting Model Muslims, their number reaches 400,000.

Social Action

After meeting with Minister Alamsyah for about an hour, these leaders of the Chinese Muslims explained that the minister had expressed support for the social action of the Chinese Muslims.

"We are going to visit prisons in the near future and deliver sermons at the same time," Jusuf Hamka said. He added that ITUI, the Ukhudah Islamiah

Foundation and the Foundation for Promoting Model Muslims plan to have a "halal bihalal" (end of Ramadan get-together) in the next few days at the Senayan Meeting Hall in Jakarta to which the poor and orphans will be invited.

According to H. Junus Jahya, Minister Alamsyah is happy about the development of Chinese Muslims in Indonesia. Alamsyah also said that Islam should be very close to the Chinese because the religion entered China in the year 652 AD, where there are now around 100 million Muslims.

12405
CSO: 4213/530

INDONESIA

NEW ENGLISH-LANGUAGE DAILY BEGINS PUBLICATION

Jakarta TEMPO in Indonesian 30 Apr 83 p 59

[Article: "Voice of Mutual Cooperation"]

[Excerpt] The JAKARTA POST [JP] which began publication on 25 April increased by one the number of English-language dailies in Indonesia. Promising "a fresh, friendly, entertaining, modern journalism" in its advertising, the new daily is competing in the marketplace with the INDONESIAN OBSERVER and THE INDONESIA TIMES. The OBSERVER which, since 1 April changed its logo to resemble that of the BANGKOK POST, is 28 years old. THE TIMES has been publishing for 9 years.

"We want to be the voice of Indonesia," said Eric Samola SH, the director-in-chief of PT Bina Media Tenggara, the publisher of the enterprise. We intend, he continued, for the JAKARTA POST to become the newspaper that will be identified with the voice of Indonesia in ASEAN specifically and in Southeast Asia generally. The voice of JP, added Samola, will be free and will not side with any group. "Also, it will not be some kind of public relations or public indoctrination type of venture," said Sabam Siagian, the editor in chief. Amir Daud, the managing editor, explained that "there won't be any press releases in it."

The idea of publishing the JAKARTA POST originated in circles close to the press. The founders believed that an "Indonesian voice" was needed to convey the news to the ASEAN countries. Until now, there has been no English-language newspaper with an ASEAN orientation in Indonesia. For the time being, the STRAITS TIMES from Singapore has the largest readership in Indonesia.

The shares in JP are held for the most part by the dailies SUARA KARYA and KOMPAS. The remainder are held by SINAR HARAPAN, TEMPO magazine and Harmoko (obtained before he became information minister). Ten percent of the shares have been reserved for the paper's employees. The management of the undertaking comprises Eric Samola (formerly Chief Director of PT Grafiti Pers which publishes TEMPO) as the new JP chief director with Sofyan Wanandi (of SUARA KARYA) and Raymond Toruan (of KAMPAS) as members.

The entire leadership of JP is considered to be experienced. Amir Daud, 55 years old, retired from TEMPO just last March. He had worked for 6 years for the latter magazine. Previously, he had been with the daily PEDOMAN and had served as correspondent for the West German news agency, DPA.

As in the case of Amir Daud, Mohammed Chudori also just retired from ANTARA News Agency after working there without interruption for 25 years. Although he worked for the official government news agency, he says he is not "a government employee or a member of the civil servants' association." At the JAKARTA POST, he fills the position of "publisher." These days he is busy selecting journalists and staff members. "It's sad to see how difficult it is to find journalists, especially journalists who speak English," he sighed. Of 400 applicants who met the basic qualifications of education and the ability to speak and write English, only 41 survived the screening process.

In the meantime, Sabam Siagian, with his 10 years' experience with SINAR HARAPAN is working as a general office clerk, helping out the editorial staff. Previously, when he was with the Indonesian Mission to the United Nations, he was the recipient of a Neimann Fellowship for Journalism at Harvard University. He was the first Indonesian to be enrolled in that program of study for editors which has existed since 1938 at this particular academic institution.

Fifteen staff members already are in place at the JAKARTA POST. They came from various press enterprises. "Our reporters by nature are career-mobile people--they don't just sit on their hands in some government office," said Abdullah Alamudi, the coordinator of reporters, who formerly worked for the BBC in London. According to Alamudi, all reporters have to work 10 hours a day and receive a minimum salary of 200,000 rupiah.

JAKARTA POST, as can be seen from its first issue, has become known as a publication with different characteristics from other dailies. All stories must be completed on one page--there is no turning to the inside pages for the continuation of the article. "This is so the reader will not be inconvenienced," said Amir Daud. A number of columnists will contribute to JP. Among them will be Dr Panglaykim, Dr T. B. Simatupang, Hadi Susastro and Iwan Tirta.

The extent of the market for a new domestic, English-language daily remains an unknown factor. What is clear is that, "now, the market is going to be split three ways," commented R. P. Hendro, the editor in chief of the INDONESIA TIMES. Hendro remains unconvinced that the JAKARTA POST will open up a more extensive market. The combined circulation of all the English-language newspapers amounts to about 35,000 readers. However, Chudori said that the market for the JAKARTA POST would cover Singapore, Malaysia, Japan and America.

9464
CSO: 4213/64

INDONESIA BANS COPRA, COCONUT EXPORTS

Kuala Lumpur BUSINESS TIMES in English 10 Aug 83 p 6

[Text]

THE Indonesian government has banned the export of copra and coconut oil indefinitely in an attempt to stabilize the prices of domestic cooking oil, the Trade Department announced recently.

The government will only give licences for the export of 180,000 tons of crude palm oil for the coming three months, the announcement said.

Earlier last week, the Director-General of the Trade Department, Kardjono Wirjoeprawiro, said that prices of ingredients for making cooking oil were very high on the foreign market.

He said he was concerned that the high prices on the foreign market could lead to a significant increase in coconut oil exports, disturbing the supply of basic ingredients on the domestic market.

■ INDONESIA will be a coal import-

JAKARTA, Aug. 9

er for the next three years, the state-owned coal company, P.N. Batubara, said.

In calendar 1984, Indonesian domestic coal demand is expected to reach 1.16 million tonnes, almost double the projected production levels of 645,000 tonnes, company spokesman A.H. Basill said.

Mr Basill said the trend of demand outpacing projected domestic production will continue until 1988 when demand should reach 1.7 million tonnes and production 1.7 million.

In 1987, however, Indonesia should be able to rely totally on home production if planned new mines open in the province of East Kalimantan.

Mr Basill declined to speculate on where Indonesia would buy its coal, but mentioned Australia and South Africa as possibilities. — UPI, Reuter

CSO: 4200/844

SINGAPORE-INDONESIA REFINING DEALS MAY FALL AWAY

Kuala Lumpur BUSINESS NEWS in English 2 Aug 83 p 20

[Text]

SINGAPORE'S oil processing deals with Indonesia which until a year ago accounted for over a quarter of the crude oil processed here, may fall away entirely over the next few months pushing Singapore oil refiners into a troubled period, industry sources here said.

Indonesia has already slashed supplies to 75,000 barrels a day (bpd) for the current quarter from 200,000 bpd last year as it moves to bring on stream new capacity at two refineries in the next few weeks.

The extra facilities, at Cilicap in west Java, and the Borneo town of Balikpapan in Kalimantan, are expected to double Indonesia's effective refinery throughput to about 700,000 bpd.

The sources said provided the additional plant operates smoothly, the Singapore processing deals will come to an end.

The Singapore industry is already operating below 70 per cent of its design capacity of 1.1 million bpd. Alternative markets are being sought to fill the gap, but where those markets will be is an open question, Dorsey Dunn, chairman of Mobil Oil Singapore said.

"(The industry) is looking hard at a number of possibilities, such as China and India, and possibly Bangladesh, Sri Lanka and Pakistan," Mr Dunn said.

However, he said these cannot be counted on in the short term to take up the slack.

Refiners also face considerable competition from new plants in West Asia which are expected to start operating in the mid-1980s.

To combat this build-up of surplus capacity in the Eastern hemisphere, Singapore refiners have spent around \$81.8 billion in recent years upgrading their plant.

This will provide the flexibility needed to process a wider range of crude oils, and obtain a larger yield of the higher valued refined products such as kerosene, gas oil and diesel.

The sources noted reports that Malaysia has placed under review a US\$1.8 billion refinery it planned to open at Melaka in 1987.

"This eases pressure in the medium term," one source said, pointing out that although Indonesia will be able to meet its own domestic demand from 1984 to 1987, its consumption is expected to outstrip its refining ability again after that.

Malaysia last May opened a new refinery at Kerteh in the northeast state of Terengganu with a capacity to refine 80,000 bpd, but this has not so far affected the volume Malaysia refines in Singapore.

Its state oil company, Petronas, has continued to ship about 80,000 barrels a day for processing.

As a non-Opec country, Malaysia has not been subject to any ceiling on production, and it has boosted this sharply to offset losses it would have suffered from this year's oil price falls. "It helped prop up that business here," one source said.

"We face a very uncertain future," said Evert Henkes, Shell's director of supply and trading in Singapore, when asked how much world economic recovery might raise demand.

"We saw a substitution of oil in the last few years that has never happened before. We don't know how demand is going to be."

Other sources noted Singapore refineries play an important "swing" role in balancing the shortfalls and surpluses of the world's major oil firms' affiliates in Asia.

Probably around 60 per cent of current crude runs are aimed at meeting the needs of their corporate supply systems in the region, "which is a virtually guaranteed floor operating level," an industry analyst said.

None of the refiners appears keen to close any of their plants, even temporarily. — Reuter

JAKARTA TO TAKE OVER FORMER STANVAC OIL FIELDS

Kuala Lumpur NEW STRaits TIMES in English 29 Jul 83 p 15

[Text]

JAKARTA, Thurs. — The Indonesian Government has decided to take over a number of oil fields in south Sumatra operated by the American oil company, Stanvac Indonesia, under 30-year contracts which expired this year, Oil Minister Subroto announced.

The announcement, carried today by the official news agency Antara, said Stanvac would remain in Indonesia to operate other areas in south and central Sumatra where the contracts had not expired.

Stanvac, a subsidiary of Exxon Corporation and Mobil Oil Corporation, has been in Indonesia since 1963.

The areas taken over by the Government were operated under 30-year contract-of-work agreements with the

State oil company Pertamina, under which Stanvac received 40 per cent of oil mined and the Government 60 per cent.

All but two of the 40-odd foreign oil companies operating in Indonesia are working on newer production-sharing contracts, under which the company gets 15 per cent of the oil produced, and the Government 85 per cent after cost recovery.

The exceptions are Stanvac and Caltex Pacific Indonesia, the country's largest oil producer. With the takeover of Stanvac's old fields, industry sources said attention would focus on negotiations with Caltex, which operates large contract-of-work areas under agreements scheduled to expire in November. — Reuter

CSO: 4200/819

INDONESIA

SUBROTO EXPECTS FIRMER TIN PRICE

Kuala Lumpur BUSINESS NEWS in English 2 Aug 83 p 20

[Text]

THE price of tin on the international market will rise in the next three months reflecting the new Association of Tin Producing Countries (ATPC) and improved demand from the main consuming nations, Indonesian Minister of Mines and Energy Subroto said.

The association, set up in June and due to start working this month, will work intensively to increase and promote tin marketing, he said.

ATPC members are Indonesia, Malaysia and Thailand which together account for over 70 per cent of world tin output.

Subroto, speaking to journalists after attending an ATPC meeting in Singapore last week, noted indications of an improvement in the world economy, particularly in the US and Europe.

A general improvement in the world economy will boost tin demand from the car and construction industries which will also lead to improved prices, he said.

Although the tin price has been low, the sixth International Tin Agreement (ITA) has succeeded in keeping it stable, he added.

Subroto said the three ATPC members have approached Nigeria, Zaire, Australia, Bolivia, Brazil and Burma to join the association, the main aim of which will be to seek an improvement in tin producer income by widely promoting the use of tin.

Research and development will be one of its main priorities, and also plans extensive promotional activity in consumer countries and the collection and distribution of data. — Reuter

CSO: 4200/819

DOCTORAL CANDIDATE CAUTIONS AGAINST OVERUSE OF TRACTORS

Jakarta SINAR HARAPAN in Indonesia 20 Jul 83 pp 1, 12

[Text] Use of tractors in land cultivation increases planting intensity. But contrary to the expectations of tractor advocates the increase is so low that high priority should not be assigned to using tractors for this purpose.

There are three ways to increase planting intensity, that is, by improving irrigation, increasing the use of high quality seed and through community development efforts. If these three things are done together, the increase in planting intensity will be much greater than through the use of tractors.

The above issue was raised by Ir [Master of Science in Agriculture] Djaswir Zein, professor at the School of Agriculture, Andalas University, Padang, on Tuesday at the Student Senate Hall of Gadjah Mada University where he was defending his dissertation for a doctorate in economics.

Appearing before a 9-member examination team chaired by Dr Sutatwo Hadiwegino and co-chaired by Prof Ir Sunjoto Sumadihardjo, Djaswir Zein, who had been enrolled as a student in the S-3 Program [university postgraduate program] of the School of Economics, Gadjah Mada University since 1977, passed with the commendation "very satisfactory."

It Should Have Been Rejected

In his dissertation entitled "Estimated Economic Impact of Tractor Use in the Wet Fields of West Sumatra," Djaswir Zein stressed that mechanization with tractors without previous thorough study of its effects on planting intensity would tend to cause acceptance of plans that should have been rejected. Or, in other words, errors would tend to arise from overestimating the benefits of tractor use.

He stressed that tractor use can lead to a decrease in work opportunities in land cultivation for farm laborers. Viewed from the angle of total income, however, because the laborers have other income besides that from land cultivation, the decrease is much smaller than the percentage in job loss--only 14.86 percent.

The use of tractors in farming is connected very closely with the interests of farm laborers.

Djaswir Zein discovered the results of a new study concerning the number of farm laborers which are different from data reported in the population census of 1980.

According to the census, the number of farm laborers involved in land cultivation is 32.02 percent of the total number of farmers in Indonesia. But Djaswir Zein succeeded in collecting data which indicate that they are only 11.19 percent. Thus, relatively, the figure reported in the 1980 census is 90.7 percent higher or nearly twice as high.

This may have been caused by the definition of a laborer used in the 1980 census which did not include limits as to percentage of income. "Because of that, if we use the definition used in the 1980 census, it is very possible that someone, who really should have been considered a farmer, was classified as a farm laborer."

Actually, in the context of tractor use, the above-mentioned distinction is important because here the interests of farmers often conflict with those of laborers. "So the use of the data concerning farm laborers from the 1980 census relating to agricultural mechanization needs to be corrected," said Djaswir Zein.

The candidate is the second PhD. to graduate from the S-3 Program of the School of Economics, Gadjah Mada University, after Wan Usman, M.A., received his doctorate with the commendation "very satisfactory" last 8 July.

Dr Djaswir Zein is the 55th scholar to take the doctorate examination at Gadjah Mada University.

12405
CSO: 4213/530

SOUTH KOREA'S ROLE IN COUNTRY'S 'LOOK EAST' POLICY VIEWED

Kuching SARAWAK TRIBUNE in English 29 Jul 83 p 3

(Text)

KUALA LUMPUR.
Thurs Bernama —
South Korea can play a
role in Malaysia's Look-
East Policy to ensure
that both countries will
benefit from it. Works
Minister Datuk S. Samy
Vellu said today.

He said that he told
visiting South Korean
Construction Minister
Jong Ho Kim to impress
upon his government
and the South Korean
people to adopt a genuine
approach so that both
countries would gain
from the policy.

Datuk Samy Vellu
said that South Korean
contractors who come
here must sincerely en-
sure that transfer of
technology took place.

"The South Koreans
must treat us not as con-
sumers but as friends.

"Unless they adopt
this ideology, the look-
east policy will be a one-
sided love affair," he
said.

Datuk Samy Vellu
said that during the one-
hour discussion he had
with Encik Jong, he told
him that the South Ko-
rean Embassy here
should set up a construc-
tion trade information
bureau for the benefit of

local contractors.

He had also urged the
South Korean govern-
ment to have an over-
view of the type of con-
tractors seeking collabora-
tion with Malaysian
contractors.

He also said that he
had impressed on the
need for South Korean
contractors to ensure
that there were actual
local participation in
projects.

Participation should
not be on paper alone,
he added.

He said he also dis-
cussed possible South
Korean assistance to
help upgrade the skills of
local contractors espe-
cially, Bumiputera ones.

Training in the pricing
of tender projects would
be useful, he added.

Datuk Samy Vellu
said that he also suggest-
ed that the Embassy
here should assist in con-
ducting Korean lan-
guage classes for PWD
staff.

He said that during
the discussions, staff
from the PWD and the
Malaysian Highway Au-
thority expressed their
views on the perfor-
mance of South Korean
contractors involved in
local projects.

'LOOK EAST SUCCESS DEPENDS ON US,' PRIME MINISTER DECLARES

Kuching THE BORNEO POST in English 25 Jul 83 p 14

[Text]

KUALA LUMPUR, Sun.—Datuk Seri Dr. Mahathir Mohamad stressed today that the Look East policy is for the people who will themselves determine its success.

The purpose of the government looking east was not for its own interests as the previous situation was not identical to the government, he added.

Opening the Sipura Holdings Complex in the Hulu Kelang free trade zone near here, the Prime Minister said the Malaysia's success through the policy would bring benefits to the people.

The Japanese and South Koreans were at one time having incomes and standard of living lower than Malaysians but through a positive attitude and outlook were now enjoying a prosperous and comfortable life.

He regretted that many people were still not clear about the objectives and aims of the policy despite being introduced to it more than a year ago.

There were some quarters who said that the policy was detrimental to Malaysians because construction and supplies contracts were won by Japanese and South Korean companies.

'I do not comprehend how this misunderstanding can still prevail. Does it mean that when we formulate a policy for our own good others have to take a bigger responsibility for it?' he asked.

'They did not ask us to look their way.'

He said that Malaysia was not a 'beggar' and would not formulate a policy requiring the action of others.

'We form policies for ourselves and we are the ones responsible for their implementation. Whether or not the policies succeed is our own problem and responsibility.'

He said that the Look East policy did not mean others had to shoulder the burden of the country or to be entitled to special treatment.

'The Look East policy means only that we study how Eastern peoples succeed in developing their countries and competing with other nations,' he added.

'There must be reasons for their success. These are what we have to find out and emulate if found suitable for us and in line with our system of values.'

INGREDIENTS OF SUCCESS

The known ingredients for the success of a number of Eastern countries were industriousness, firm resolve, loyalty to management, patience and fortitude, dedication in improving productivity and standard of work, willingness to study and learn, discipline sense of responsibility and security.

According to Datuk Seri Dr Mahathir, almost all of the attributes were lacking or insufficiently developed among Malaysians.

'We had absorbed many detrimental values and practices when we were deifying the west in the past.'

Because of this, the people found it difficult to switch attention to the East, so much so that there were some who opposed or had reservations about the Look East policy.

He said that the government in principle did not object to its staff, particularly Bumiputeras, resigning to join the private sector.

This was why it provided a special management training programme for government staff wishing to join the private sector.

He pointed out however that while their experience in public service might come in useful in their new life, it was not a guarantee of success, particularly in competitive business fields which required management expertise.

'Nothing is more important in business than good management,' he added.

The Prime Minister emphasized on the need for cordial relations between government officers and businessmen, saying that former government officers who became businessmen sometimes ran into cool reception from government servants with whom they had to deal.

This situation should serve as an object lesson on the importance of government officers having a positive attitude.

The example they set while in government service would benefit them later when they went into business for themselves.

He also said good service was essential for any type of business. National carriers of Asian countries including MAS could not compete with carriers of developed countries without a policy of 'service with a smile.'

Datuk Seri Dr. Mahathir told Bumiputera entrepreneurs not to be overly dependent on government assistance.

'Government aid should be regarded as a crutch for the lame and people using crutches will surely lose in a walking contest, what more a running race.'

PRESS COVERAGE ON SNAP CRISIS

SNAP Accepts Resignations

Kuching THE BORNEO POST in English 19 Jul 83 pp 1, 15

[Excerpts] KUCHING, Mon--The Sarawak National Party (SNAP) has accepted with regret the resignation of its three MPs and nine State Assemblymen to form a new Dayak--based party but warned that SNAP would apposed strongly any attempt to have the group admitted into the Barisan Nasional fold.

SNAP president Datuk James Wong said in Sibu today that SNAP also expected the 12 to vacate their respective seats which they won them on Snap and Barisan Nasional tickets in the 1982 Parliamentary elections in the State and the 1979 state elections.

Datuk Wong, who is on a visit to SNAP branches in Sibu in the Third Division, also told newsmen at the airport that SNAP considered the twelve to be in the opposition as they had resigned from SNAP and thus the Barisan Nasional.

Their seating in the State Assembly and in Parliament therefore ought to be adjusted, he added.

New Party: Parti Dayak Serawak

Kuching SARAWAK TRIBUNE in English 22 Jul 83 p 1

[Text]

Kuching, Thurs.— The new Dayak-based party to be set up by the elected representatives who broke away from SNAP will be called the Parti Dayak Sarawak (PDS), a founder leader of the proposed party confirmed here today.

Encik Joseph Mamat Samuel, one of the nine State Assemblymen who resigned en masse from SNAP recently, said registration of the party would be applied for next week simultaneously with a formal applica-

tion to join the Barisan Nasional.

The draft constitution of the party is being finalized.

Encik Samuel, the State Assemblyman for Tatau, said the party, which claims to represent the majority of the Dayaks who are the largest community in Sarawak, should not be excluded from the Barisan.

He said the party would call for early state elections "so that the people can judge us."

The nine State Assemblymen and three MPs resigned from SNAP to form a new Dayak-based party following failure of efforts to get expelled State Assemblyman for Lingga, Encik Daniel Tajem, back in the party fold. They were joined by three independent MPs who had been expelled from SNAP earlier.

Tajem: Still Belong to Barisan Nasional

Kuching THE BORNEO POST in English 24 Jul 83 p 1

[Text]

SIBU, Sarawak:—A founder member of the New Parti Bangsa Dayak Sarawak (PDS) asserted today that the group of former SNAP elected representatives in the new party still belong to the Barisan Nasional as they were elected on Barisan Nasional tickets.

Encik Daniel Tajem, who is the Sarawak Deputy Chief Minister, said: as such, there is no question of us being in the opposition.

"Until fresh elections are held, we are still the Barisan Nasional people's representatives in the State Assembly and Parliament."

On SNAP president Datuk James Wong's declaration that SNAP would oppose the PDS' application to join the Barisan Nasional, he said: "rules are made by man and these can be bent and adjusted to suit certain times and conditions."

He said the former SNAP state assemblymen and members of Parliament fully supported the Barisan Nasional concept and assured BN components in Sarawak that the new party was not out to "pinch" their members.

NOT RACIALISTS

Encik Tajem also said PDS members could not be accused as racialists working in the interests of the Dayak community "just as one cannot accuse the MIC or UMNO of being racialists for representing the interests of their respective communities in the State Legislature and Parliament as well as in the government."

He stressed that the formation of the New Dayak-based party was not aimed at isolating the community but at

bringing it into the mainstream of development.

Leadership of the new party would be finalized soon while the party symbol had been designed for introduction to the people.

He also said the PDS was not frustrated by the apparent indecision.

On non-Dayak SNAP members who had supported him, Encik Tajem said he would continue to look after their interests in his capacity as Deputy Chief Minister and State Minister of Agriculture and Community Development.

On the accusation of him helping independent candidates in the last Parliamentary elections in Sarawak, he said: "I was in my office all the time yet I am credited for their victories. I will employ my talents fully to ensure our party's victory in the coming state elections."

—Bernama

Only Seven SNAP Representatives

Kuala Lumpur NEW STRaits TIMES in English 25 Jul 83 p 16

[Text]

SNAP has been reduced to a rump in Parliament and the

State Assembly with one MP and six State Assemblymen.

against the six MPs and 10 State Assemblymen who have thrown in their lot with the new party.

But SNAP still has many loyal Dayak leaders and a well established image and connections in the rural constituencies where the vote is won.

"All of the SNAP representatives in the Government and statutory bodies are Dayak. We cannot understand how this group can claim that we are an obstacle to Dayak aspirations," commented SNAP Secretary General, Mr Joseph Balan Seling, himself a Dayak.

"Our party organisation on the ground is unchanged," Mr Balan Seling claims, and he says the defecting leaders can easily be replaced.

To that, the Dayak Party leaders point to the electoral history of SNAP since 1978. In the State elections of that year, SNAP put up a Chinese candidate in a majority Bidayuh seat. SNAP MP for the parliamentary seat Patrick Anek stood as an independent and won.

In 1982, SNAP replaced two incumbents and put an official candidate against Mr Anek in his parliamentary seat. Both incumbents and Mr Anek stood as independents and won with respectable majorities.

Threat

Both parties are now busy on the ground explaining the situation to confused villagers in

preparation for the next State elections — which both sides expect only next year.

Today Mr Tajem and his group put in their application to register the new party and at the same time will apply to join the Barisan Nasional. This poses Barisan with a major dilemma.

It cannot admit the Sarawak Dayak Party without bitter opposition from SNAP, which might drive it out of the Barisan.

The SUPP may also be reluctant to admit the new party. But if the Barisan leaves the Dayak Party outside, it runs the risk of losing the major Bumiputera community in the State to the opposition.

Dayaks are a majority in 23 of the 48 State seats; they are a significant group in many others. The Dayak Party will only contest the 17 seats that are presently held by SNAP or ex-SNAP independents. Mr Tajem says, so it will not present itself as a threat to the other Barisan parties.

But it might not be so understanding in Opposition. With the DAP threatening to stand in 11 State seats, the Barisan could be eroded from both sides and its majority dangerously reduced.

But the Dayak leaders are determined to be admitted to the Barisan, even if they have to wait a long time knocking at the door. "If we are not accepted we will still seek to be accepted," Mr Daniel Tajem says.

Moggie Quits SNAP

Kuala Lumpur NEW STRAITS TIMES in English 27 Jul 83 p 1

[Text]

KUCHING, Tues. — Datuk Leo Moggie has resigned from the Sarawak National Party (SNAP) and will lead the breakaway party — Parti Bansu Dayak Sarawak (PDS).

At a Press conference at the home of Sarawak Deputy Chief Minister Daniel Tajem, Datuk Moggie said he had already briefed Prime Minister Datuk Seri Dr Ma-

hatir Mohamad on his resignation and decision to join the new party.

Datuk Moggie said his position as Federal Cabinet Minister would be left to the Prime Minister, but added that "he is still a Minister at the moment."

Datuk Moggie sent his letter of resignation to SNAP secretary-general Joseph Balan Seling soon after his arrival here at 2.30pm today from Kuala

Lumpur

At 8pm, delegates from PDS called on Sarawak Chief Minister Datuk Patinggi Haji Abdul Taib Mahmud at his home to hand in the party's letter of application to join the Barisan Nasional.

Datuk Moggie said the breakaway group was finalising its constitution before sending it to the Registrar of Societies.

He named a 24-member protom committee of which Mr Tajem is deputy president.

Six vice-presidents in the party are State Assistant Minister Gramong Juna, N. Ambrose Gramong, former Deputy Federal Agriculture Minister Edmund Langgu, former parliamentary secretary Patrick Anek Uren, former SNAP woman leader Datuk Tra Zehnder and Datuk Sandah Jarraw.

The PDS has also set up an election preparatory committee chaired by Mr Tajem with Mr Anek, Mr Juna, Mr Joseph Samuel, Mr Langgu and Mr Nelson Liat Kudu as his assistants.

Datuk Moggie stressed that the purpose of forming the new party was to ensure that all communities in Sarawak have a fair representation in the administration of the State through the Barisan Nasional concept.

"Though ours is a Dayak-based party, we believe every community in Sarawak has an important role and this must be recognised."

"We subscribe to the Barisan's concept and will compliment the effort of other Barisan Nasional component parties in uniting the people," he said.

When asked if the decision to leave his former party was a "snap" decision, Datuk Moggie said it had been coming for some time.

On the formation of the new party, he said: "I think it is timely."

Prerogative of PM to Retain Moggie

Kuching SARAWAK TRIBUNE in English 28 Jul 83 p 1

[Text]

Kuala Lumpur, Wed.— It is the prerogative of the Prime Minister, Datuk Seri Dr Mahathir Mohamad to retain the Minister of Energy, Telecommunications and Posts, Datuk Leo Moggie or decide otherwise, Barisan Nasional secretary-general, Encik Ghafar Baba said today.

"There is no provision in the Barisan Nasional constitution on matters such as this," he said here in response to the announcement made by Datuk Moggie in Kuching that he had resigned from the Sarawak National Party (SNAP).

Datuk Moggie said yesterday that he would head the new Parti Banua Dayak Sarawak (PBDS) and retain his cabinet portfolio.

The Barisan Nasional, Encik Ghafar said would consider any application from the new party to join the coalition. To date, no such applications had been received, he added.

Should any application be received, the matter would be included in the agenda for the Barisan Nasional Supreme Council meeting on Sept 10 in Sarawak.

"Barisan Nasional, which practises democracy, does not stop anyone from joining or leaving the party," he said. — Bernama.

State Barisan to Deal with SNAP Crisis

Kuala Lumpur NEW STRAITS TIMES in English 28 Jul 83 p 1

[Article by James Ritchie]

[Text] **KUCHING, Wed.— Sarawak Chief Minister Datuk Patinggi Abdul Taib Mahmud today called on the Sarawak National Party (SNAP) and the newly-formed Parti Bansa Dayak Sarawak to end the war of words between them in the interest of harmony among the communities in the State.**

In a statement issued at the end of the State Barisan Nasional (BN) meeting at Petra Jaya, Datuk Taib, in his capacity as BN State chairman, said the State Barisan had agreed to defer to Aug 10 agreement on a solution to the problems involving the two opposing parties.

He said, however, for the moment, the parties have agreed to contain any possible threat to the harmony between the various communities.

Common grounds

"We will advise members of our parties not to make controversial statements. We hope that the newly-formed party would also restrain its members from making controversial statements," the statement read.

When asked to qualify whether it would be a breach of discipline on the part of the BN members to refuse to adhere to this, he replied that "though it is a breach," he would appeal to their "voluntariness to abide by the decision".

Apart from discussing the political situation in the State and the application of the new party to join BN, Datuk Taib said that the meeting had also covered "some common grounds" which has given the BN some hope to resolve the present political problem.

All component parties have reiterated their determination not to allow any problem facing them to detract from the BN concept to foster and maintain a united and harmonious Malaysian nation.

Datuk Taib added the State BN needed to mediate over a few suggestions that had emerged from today's meeting with the hope that "an agreement on a solution could be reached on Aug 10".

Also discussed was the preparation for the first BN Supreme Council meeting to be held outside Kuala Lumpur, to be held in Kuching on Sept 10.

Parti Dayak's Bid to Join BN

Kuala Lumpur NEW STRAITS TIMES in English 29 Jul 83 p 1

[Article by A. Sri K. Nayagam]

[Text] **KUALA LUMPUR, Thurs.— The question of Parti Bansa Dayak Sarawak (PBDS) joining the Barisan Nasional does not arise just yet, Datuk Seri Dr Mahathir Mohamad said tonight.**

Asked if the PBDS, the new political party in Sarawak formed by a break-away group from the Sarawak Action Party (SNAP), has formally applied to join the Barisan, the Prime Minister said: "I think Ghaffar (BN secretary-general Encik Ghaffar Baba) has received it."

He, however, added that any decision to admit a new member must be unanimous.

"If any one party objects then we cannot admit a member. It will be against the rules."

He said the question of PBDS' admission into the Barisan Nasional would be discussed at its Supreme Council meeting scheduled to be held in Kuching on Sept 10.

"I think for the moment we'll leave it to the Sarawak Barisan Nasional to solve the problem.

"It is not yet a problem

for the entire Barisan Nasional," he added.

Datuk Seri Dr Mahathir also said that Datuk Leo Moggie would retain his position as Minister of Energy, Posts and Telecommunications.

"Ministers are appointed at the discretion of the Prime Minister and until I decide to dispense with his services, he will stay," he added.

Datuk Moggie was vice-president of SNAP but quit on Tuesday to head the Dayak-based PBDS.

Editorial: SNAP Dilemma

Kuching THE BORNEO POST in English 21 Jul 83 p 2

[Editorial]

[Text] All this while the three state Barisan Nasional component parties - Parti Pesaka Bumiputra Bersatu (PBB), Sarawak United People's Party (SUPP) and Sarawak National Party (SNAP) - have been working cooperatively together to ensure peace and political stability in the State and have gained the highly valued respect by all politicians in the State. With regret, now SNAP is facing a dilemma. The expulsion of Sarawak Deputy Chief Minister Daniel Tajem from SNAP by the party's Central Executive Committee (CEC) has brought about a new political development in the State. Recently three MPs and nine State Assemblymen decided to quit SNAP to form a new Dayak-based party. Thus left only three MPs and six State Assemblymen in SNAP. This group of people left the party claiming that SNAP no longer voice for the Ibans. They said that the new party formed would not be an opposition party and pledged support to the Barisan Nasional. They hope to get the new party registered soon and plan to apply to join the Barisan Nasional. A new

component in the State BN is yet to be seen.

To gain entry into BN, the new party needs unanimous support of the other components. Here, SNAP has already declared that it would strongly oppose any attempt to have the new party admitted into the Barisan fold. With such crisis in SNAP, will it cause political instability in the State? What are the steps to be taken by the BN to solve such problem? As far as the BN understanding is concerned, only representatives from the components of BN can hold posts in the state Cabinet. Therefore, the position of Mr. Tajem in the State Cabinet will be decided at the BN Supreme Council meeting. We feel that SNAP should sit down coolly and not jump to any drastic action resulting in further instability. Political leaders should behave maturely and stop throwing remarks at one another. They should put the interest of the people and the country above their own personal interests. If this can be achieved, we still be able to attain peace and political stability.

Editorial on SNAP Crisis

Kuching THE BORNEO POST in English 1 Aug 83 p 2

[Editorial]

[Text]

SNAP crisis triggered off when the party's Central Executive Committee (CEC) expelled its vice-president, Encik Daniel Tajem, followed by the mass resignation of three Members of Parliament and nine State Assemblymen from the party. Later, the Federal Minister for Telecommunications and Post, Datuk Leo Mogge quitted the party to head the new Dayak-based party — Parti Bansa Dayak Sarawak (PBDS). The new party had applied to join the State Barisan Nasional. The whole situation has put our Chief Minister, Datuk Patinggi Haji Abdul Taib Mahmud, who is also the chairman of

the State Barisan Nasional, in a dilemma. However, the State Barisan Nasional is expected to come to an agreement on the solution to the present political problems involving SNAP. Even our Prime Minister, Datuk Seri Dr Mahathir Mohamad, is confident that the SNAP crisis can be resolved by the State Barisan Nasional without referring to the Federal BN Supreme Council.

The Chief Minister while trying to resolve the problem, has called on all political parties in the state to stop the game of mud-slinging. If mud-slinging, such as criticising other political parties or making controversial statement against each other is allowed by any member or any party, will only deepen the wound that already exists. Efforts must be made to resolve the present problem. Even SNAP treasurer, Mr Ting Ling Kiew, has called on the present SNAP and PBDS leaders to iron out their differences. So far, the state has enjoyed political stability and harmony. Every Malaysian in the state in striving for bigger progress will not allow political instability to step into their path. It is in the interest of the state and the people that any problem faced by the Barisan Nasional should be resolved amicably. Any political leader trying to capitalise on the differences to bring themselves to the fore front is childish. Therefore all component parties should have trust and confidence in the Barisan Nasional leadership which has governed the state for the past years. SNAP crisis is a home problem of the BN and it will be solved within the boundary. We have the assurance from the Prime Minister that the problem involving SNAP will be resolved.

CIO: 4200/827

BOAT PEOPLE CAN LAND IF THEY WILL BE RESETTLED

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 83 p 8

[Text]

MALAYSIA will continue to allow Vietnamese illegal immigrants to land on its shores as long as Third countries are willing to accept them for resettlement.

Deputy Home Affairs Minister Encik Kassim Ahmed said that should Third countries refuse to accept the immigrants, Malaysia would not honour its pledge made at the United Nations conference in Geneva in 1979.

At the conference, it was agreed to grant the immigrants temporary residence provided Third countries could assure Malaysia of their continued support in resettlement efforts.

Encik Kassim was replying to a question by Encik Ahmed Hambali Yeop Majlis (BN-Part) in the House today.

The Minister said so far no Third country had said it would not accept any more illegal immigrants.

"Resettlement is a bit slow right now because of administrative hitches," he said.

He said Third countries gave priority to "family reunion" when accepting immigrants so that they would not en-

counter difficulties adapting to life in their country of permanent residence.

Encik Kassim said the rate of resettlement of illegal immigrants from Malaysia was satisfactory.

"Resettlement has been slower this year. That is why at the end of June, the number of immigrants in our transit camps had gone up to 11,801."

"However, the number of immigrants remaining in Malaysia has been going down every year since 1979."

He said there were 34,886 immigrants in Malaysia in 1979, 12,307 in 1980, 10,020 in 1981, and 8,448 last year.

Encik Kassim said illegal immigrants were classified into four categories.

Those who have been accepted, those who are pending (investigation and documentation), those of unknown destination, and those who are "difficult cases".

He explained that "difficult cases" referred to immigrants who had been rejected by a Third country but who were still hoping to be accepted by another country.

CSO: 4200/826

MOVE TO DECLARE LABUAN FEDERAL TERRITORY

Kuala Lumpur BUSINESS TIMES in English 2 Aug 83 p 1

[Text]

THE Sabah government has requested the Federal government to examine the possibility of having Labuan island proclaimed a federal territory.

Disclosing this to reporters at the airport before leaving for three weeks' overseas leave yesterday, Chief Minister Datuk Harris Mohd Salleh said that under the proposal, the Federal government would have total responsibility for Labuan's administration and development.

He said: "It is my belief that Sabah will have more to gain than it has to lose if Labuan is declared a federal territory."

The Chief Minister enumerated the follow-

ing advantages and gains for Labuan if the island becomes a federal territory:

■ The Federal government is in a position to develop the island into a regional and international conference centre as it is well suited for this purpose because of various factors, principally its location.

■ The Federal government will finance the development of the island, especially its infrastructure, which alone will require an annual expenditure of between \$30 and \$40 million.

■ It will be possible to promote tourism on a much larger scale than is possible at present.

■ The move will ensure that Labuan remains a

free port and will facilitate its development as an entrepot trade centre serving the Asean region.

■ It will not only symbolise but also substantiate a strong physical Federal presence in this part of Malaysia which is essential in the interests of national integration in view of the distance between Peninsular Malaysia and Sabah and Sarawak separated as they are by a wide expanse of South China Sea.

■ Revenue from gas-related industries and oil will not be diverted from the state because of firm agreements that have been signed with the Federal government.

■ The issue of land rights will also not be a problem because almost

the whole area of Labuan is already alienated.

Datuk Harris said there was no reason for anyone to worry unduly about the possibility of Labuan becoming a federal territory.

The state government had full confidence and faith in the Federal leaders and their sense of fairplay and justice in administering the island as a federal territory.

He said: "The Federal government is in a better position to intensify the expansion of economic activities on the island and to facilitate the healthy growth of the industries now located there.

This would ensure a better future for the people of Labuan. — Ber-nama

CNO: 4200/826

MCA SECRETARY GENERAL ADDRESSES 'ANNIVERSARY SOLIDARITY' DINNER

Kuching THE BORNEO POST in English 20 Jul 83 p 14

[Text]

MELAKA, Tues.— The MCA cannot afford the political temptation to be too chauvinistic and at the same time expect, in the context, in the context of Malaysian political realities, other communal-based parties not to be overly chauvinistic as well, its secretary-general Tan Sri Chong Hon Nyan, said today.

Speaking at the MCA's 34th anniversary solidarity dinner here, Tan Sri Chong said recent remarks by certain individuals who were non-MCA members that the MCA should change its character could only be regarded as so much "loose talk."

"We have to be pragmatic: We have to face realities and keep on strengthening our party and its machinery," said Tan Sri Chong, who is the Transport Minister. He said that as a responsible party, the MCA was always ready to cooperate with others for the particular or general interest of the Chinese community.

Tan Sri Chong assured that the MCA would keep its doors open to views and opinions from all sectors of the Chinese community.

"We may sometimes not agree with some views, but we would still value them," he added.

These views were all material out of which the MCA could frame suitable policies and pro-

grammes to suit conditions as they changed.

The MCA could not hope to satisfy that was so complex, he said.

The problems were made even more difficult when the party had to resolve them in the context of the Malaysian society where there had to be a delicate balance among the communities.

On the recent takeover of the party's leadership from former president Datuk Lee San Choon, the minister said MCA members must feel the sense of continuity to build upon the foundation of the party so firmly established by Datuk Lee's predecessors.

Datuk Lee had passed the reins of the leadership to Datuk Dr. Neo Yee Pan much earlier than anticipated, Tan Sri Chong said. During this transitional period until the party's next election in 1984, it was important that the members feel this sense of continuity.

"Otherwise the word "solidarity" will have little meaning for ourselves and even less meaning to the Chinese community," he added.

Tan Sri Chong said there was much for the party to do as there were local and national problems as well as problem of administration and national policy. —

CSO: 4200/820

GERAKAN: THREE YEARS UNDER NEW LEADER

Kuala Lumpur NEW STRAITS TIMES in English 23 Jul 83 p 16

[Article by Cheong Mei Sui]

[Text]

AT today's Gerakan annual general assembly the stewardship of its top leaders will once more come under scrutiny.

As Datuk Dr Lim Kong Taik delivers his third presidential address, the matter of great interest to observers both within and without the party will be how firmly he is in the saddle.

An inevitable comparison will be made between Datuk Dr Lim and his predecessor, Dr Lim Chong Eu, although now just an adviser to the party, is still regarded as not only the country's foremost Chinese politician but also a much respected founder of the party.

Dr Lim has been conspicuously absent from meetings of the party's central committee, leaving Datuk Dr Lim an absolutely free hand in top management and to develop his own style of leadership.

Indeed, Dr Lim asked the Gerakan in the 1981 party assembly to judge his performance by the results.

Since the 1982 party assembly the party has expanded markedly in terms of membership from 17,000 to almost 30,000. Its branches and divisions have doubled. Branches, which are based on their constituencies, doubled from 100 and there are now 200 districts which follow the 124 parliamentary seat demarcations.

During Datuk Dr Lim's three years in office, the party has had

its fair share of growing pains, much of which is traceable to Datuk Michael Chen's joining the party with his followers in June 1982.

Discipline

Datuk Chen, a senior member of a rival party — the MCA — joined the Gerakan, was made vice-president and given the task of looking after party expansion.

The Gerakan president told a political seminar organised by the Negri Sembilan Gerakan last month: "In the past one year or so, especially after the 1982 general election, discipline in the party has slackened.

"There are members forming themselves into cliques. They go round sowing seeds of discontent. They whisper vi-

cheap attack on the party and its leadership.

"They distort facts and sometimes tell downright lies to discredit leaders. They make offers of positions and other rewards to members to rally support. All these are done because of some selfish desire of a handful of individuals. Desire for power and glory."

It is quite clear that the Gerakan leader's criticism was directed at the two groups in the party, one led by deputy secretary-general Dr Ooi Cheng Tuk and the other by Datuk Chen.

Dr Ooi, who has been a Deputy Minister since 1970, naturally aspires to be a full Minister and Datuk Chen intends to regain the Ministryship which he lost.

(Datuk Chen had to give up his Ministryship following his failure to wrest control of the MCA top post in September 1970.)

The Gerakan has only one Cabinet position held by deputy president Datuk Paul Loong. But there are at least two other contenders for that one slot, thereby giving rise to a conflict of interest.

It would not be incorrect to surmise that the other prize which these party stalwarts must consider is the Chief Ministryship of Penang. The succession to that top post, held by Dr Lim Cheng Eu since 1968, has been a subject of speculation since he relinquished the party's presidency in 1960.

The Gerakan's most immediate task, as expressed by Datuk Dr Lim, is that of finding a suitable successor to that post.

It is a tall order to find someone with Dr Lim Cheng Eu's political acumen and administrative abilities. However, the need to do so has assumed greater urgency because of recent political developments.

Maturing

The defeat of Datuk Dr Lim's proposal to appoint Datuk Khor Gark

Kim, Penang Gerakan vice-chairman and a senior executive Councillor, as a member of the party's central committee at last month's meeting is an indication of the struggle for this top State post.

Leaders close to the party president do not view the 13-9 vote as a vote of no confidence in Datuk Dr Lim's leadership. Rather, it was merely a manoeuvre to keep Datuk Khor out of the central committee, reducing his chances of succession to Dr Lim Cheng Eu.

A similar move was made last year resulting in Datuk Khor's failure to beat incumbent Datuk Khoo Kay Por in the contest for the chairmanship of the Penang Gerakan.

However, Datuk Dr Lim had no difficulty in appointing Mr Kerk Choo Ting, a vice-president soon after the latter joined the party. Mr Kerk and Dr Koh Tsu Khoon were two prominent Chinese educationists brought into the party just before the April 1963 general election.

Datuk Dr Lim's style of leadership so far has shown that he is a fast maturing politician who is far more astute than people give him credit for.

It certainly was not an impulsive decision on his part to invite Datuk Chen to join the party in disregard of certain obvious delicate consequences.

Neither was it a coincidence, when shortly thereafter, he brought in the Chinese educationist group led by Mr Kerk and Dr Koh.

Philosophy

Datuk Chen was, on admission to the party, made vice-president in charge of expansion on account of his ability to communicate with the Chinese-speaking grassroots and gain members from it. The appointment must have been made in the full knowledge that it could very well cause friction within the party.

Datuk Dr Lim therefore contrived to harass Mr Kerk and Dr Koh. Articulate in not only Chinese but also Bahasa Malaysia and English, the lawyer and educationist respectively are effective alternatives and a counter-check to Datuk Chen.

The party's problems also revolve round what is now termed as the "Port Dickson spirit".

This appears to be a description of the Gerakan party philosophy that the most suitable candidate to be a Cabinet Minister or the Chief Minister of Penang should be a technocrat, and that a politician's place is in party top management.

This immediately translates to mean that Datuk Loong, credited to be an efficient technocrat and an un lively politician, should stay where he is and that none in the party should rock the boat.

Datuk Dr Lim has spared no effort to show his own commitment to this philosophy. This is strongly demonstrated when he declined to contest a safe parliamentary seat in last year's general election.

If he did, and won, as he certainly would have, it would have opened the way by normal convention for him to lay first claim to the party's sole Cabinet position, a move which would put this philosophy in great jeopardy. It is much to his credit that he was able to personally put into practice this philosophy which he preaches.

He remains today a senior executive councillor of Perak, considering himself a politician whose place is at the helm of the party.

Only time will tell whether he will be able to put this philosophy into full practice and thereby convert those opposed to it.

There is much speculation that Datuk Chen will have no choice but to align with certain forces if he aspires for the party presidency, as a first basic step to re-

enter Cabinet. (The party election is due next year.)

Calculated

Datuk Chen has played his card close to his chest, neither denying nor admitting the substance of this speculation.

Datuk Dr Lim's public stance in the midst of this speculation has been very correct, as it should be, calming anxieties of supporters, avoiding word or deed which might precipitate matters.

Datuk Chen's entry into the party must now be seen, with the benefit of hindsight, as an astutely calculated move, with Datuk Dr Lim's sights set on party growth in accordance with this division of functions.

It is envisaged that he will bring to bear not only his own brand of personal persuasion, as well as his presidential performance for the past three years, to head off any serious challenges to his presidency.

The recent public suggestion by Datuk Chen that the Gerakan and the MCA should merge and form a multi-racial party appears now to be a non-starter, prompting doubts of its viability even from the Prime Minister and Barisan Nasional chairman Da-

tuk Seri Dr Mahathir Mohamed.

But the implications surrounding the making of the proposal remain. The proposal was so fundamental as to touch the very roots of both parties.

For Datuk Dr Lim it gave rise to awkward questions of party discipline involving not only a vice-president but a leader charged with the task of party expansion.

For the Gerakan all this could bode no good. Should events confirm Datuk Chen's reported determination to make it to the Cabinet once more via Gerakan, it would certainly attract heavy flak from a large portion of the membership behind Datuk Dr Lim.

These supporters would in all likelihood open fire and say that this is not because they loved Datuk Chen less but because they loved the party more.

At the end of it, Datuk Chen's group is really a later addition to party numerical strength which, if cast off, will actually put the party in no worse position than it was before Datuk Chen joined it.

Datuk Chen and his men would be well advised to ponder this and to conclude that any leverage they might have in the threat of a challenge to bring Datuk Dr Lim to terms is really not there.

CSO: 4200/820

'GERAKAN WILLING TO WORK CLOSER WITH MCA'; MCA'S RESPONSE

Gerakan 'Multi-Racial'

Kuala Lumpur NEW STRAITS TIMES in English 24 Jul 83 p 8

[Text]

KUALA LUMPUR, Sat. — Gerakan president Datuk Dr Lim Keng Yih said today his party was prepared to have closer co-operation with MCA provided its leaders were sincere over the proposal.

Speaking at its delegates' meeting here, he said recently the MCA has called for closer co-operation with the Gerakan and "we are ready to do so in the spirit of Barisan Nasional."

This was also in line with the party's constitution, he added.

However, he hoped the MCA leaders were sincere with regard to the proposal.

The MCA was represented at the opening ceremony of the delegation meeting by the Prime Minister of Dewan Tunku Abdul Rahman this morning by its acting deputy

president, Datuk Mak Hon Kam.

Datuk Dr Lim also reiterated that the Gerakan would not merge with any political party that claimed to represent the interests of only one racial group.

"Although the objectives of the party are clearly defined in the party constitution, there are still some members whose conduct and utterances have caused some confusion in the party, and thereby misrepresenting the party at large."

"Let me reiterate categorically, once and for all, that Gerakan is a multi-racial party."

Gerakan vice-president Datuk Michael Chen has recently suggested that Gerakan and MCA merge as one way of resolving their differences.

Merger Talks

Kuala Lumpur NEW STRAITS TIMES in English 24 Jul 83 p 8

[Text]

KUALA LUMPUR, Sat. — The Gerakan must agree to the basis of co-operation set out by the MCA before any talks can commence on the suggestion of a merger between the two parties.

Declaring MCA's stand on the issue, the party's acting president Datuk Dr Neo Yeo Pan said today the Gerakan had been talking in very general terms when it mentioned the idea of a merger between the two parties.

He said that while the MCA was more committed to looking after the interests of the Chinese community, the Gerakan had said that it had "national" interests in mind.

This difference of approach, Datuk Dr Neo pointed out, would make it very difficult, if not impossible, for the two parties to merge.

Therefore, he added, the Gerakan must accept the MCA's basis of co-operation before any talks of a merger could take place.

He said, however, the MCA was prepared to discuss co-operation in certain areas of common interest in Penang.

Datuk Dr Neo, who was speaking to reporters after a meeting of chairmen of MCA divisions, said the merger issue was one of the topics discussed.

He said the divisional chairmen expressed concern over "distorted reports" on the MCA leadership that frequently appeared in some small Chinese newspapers.

He said the divisional heads were advised not to be perturbed by such reports.

The chairmen unanimously adopted three resolutions pledging their support for the collective leadership of the party under Datuk Dr Neo, the MCA's 10 major projects and its call to maintain high morale and discipline.

It also decided to name the convention hall in Whema MCA the Dewan San Choon in honour of former MCA president Datuk Lee San Choon.

A total of 96 divisional chairmen out of 112 attended today's meeting.

CSO: 4200/820

MCA-GERAKAN COOPERATION: MANDATE TO HOLD TALKS

Kuala Lumpur NEW STRAITS TIMES in English 25 Jul 83 p 3

[Text]

KUALA LUMPUR, Sun. — Gerakan president Datuk Dr Lim Keng Yaik has been given the mandate by the party to hold talks with the MCA to find out whether the two parties can co-operate.

Disclosing this today Datuk Dr Lim said he was now waiting for the MCA to explain its "basis for co-operation" so that talks can be started between leaders of the two parties.

Co-operation

He said after the Gerakan's annual delegates' conference here that the Gerakan members were not against improving relations with the MCA.

The Gerakan's constitution, he said, allowed the party to co-operate with other parties and the Gerakan was aware of the need for better rapport with the MCA.

However, the Gerakan's condi-

tions for co-operation remained — that the MCA must adopt a multi-racial line and must be sincere.

The Gerakan also wanted co-operation to be on a national basis and not confined to Penang, he said.

Yesterday, MCA acting president, Datuk Dr Neo Yee Pan, said the Gerakan must abide by the MCA's basis of co-operation before any talks could start.

Datuk Dr Neo said the MCA was committed to the interests of the Chinese community unlike the Gerakan which claimed to fight for broader interests.

Earlier today, Gerakan vice-president, Datuk Michael Chen, said the idea of co-operation was probably mooted by the MCA as a ploy to put the Gerakan in a difficult position.

He said because of this possibility, the Gerakan had to respond with the counter-proposal of a merger.

CSO: 4200/821

ROLE OF ISLAM IN NATIONAL CULTURE

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 83 p 8

[Text]

CULTURE, Youth and Sports Minister Anwar Ibrahim said yesterday Islam is an important factor in the formulation of the national culture policy.

Replying to Haji Mohamed Zain Abdullah (Hamim-Bachok), he said Islam should be viewed as one principle which incorporates all aspects of life.

Encik Anwar stressed that what was important in the implementation of the national culture is the readiness of the people to practise the values laid down in the national culture without any doubt or suspicion.

He said the practice of Islamic teachings is not tied to any institution, programme or activity which is totally labelled Islam.

The Minister said what is needed is for the people to defend the Malay traditional values which do not conflict with Islamic teachings.

Other races

"This attitude should be extended to include the positive aspects of other cultures. Chinese

and Indian civilisation and East and West," he said.

To another question by Encik Mohamad Razlan Haji Abdul (BN-Matang) on whether all the races accepted the fact that Islamic values would be the dominant values in the formulation of the national culture, Encik Anwar said not every programme of the Government would be accepted by all.

"However, through information and explanation, the people would understand the national culture policy," he said.

He added that although Islamic values would be the dominant values in the national culture, the policy would not threaten the beliefs of the other races.

CSO: 4200/826

BARISAN NASIONAL LEADERS URGED TO CLOSE RANKS

Kuala Lumpur NEW STRAITS TIMES in English 24 Jul 83 p 8

[Text]

KUALA LUMPUR,
Sat. — Barisan Nasional component parties need to avoid differences at the leadership level if they want to grow in strength and gain wider support.

The reminder came from Datuk Seri Dr Mahathir Mohamad, the Barisan Nasional chairman, when he opened the [redacted] delegates' conference at the Dewan Tunku Abdul Rahman here.

He said leaders of these parties should not allow the differences of opinion to develop to the extent of disrupting co-operation among the parties and members.

On the other hand, he said any contribution by members towards further enhancing Barisan Nasional's standing would be an invaluable investment for the future of the country.

The Prime Minister also said that understanding and solidarity were "an asset and an investment" which were very important for the people, and that adjustments were necessary from time to time to strengthen this understanding and solidarity.

He added that such understanding and solidarity were especially important at the leadership level, particular-

ly in the Barisan Nasional leadership.

He felt that if greater concern for the future and interest of the public were their constant basis and measure for action, then he was confident that all Malaysians would benefit much more in the future.

(The Prime Minister's remarks are seen by political circles as being particularly relevant in view of problems in several Barisan Nasional component parties.

(There is the crisis in BNAP where three of its MPs and nine State Assemblymen have left the party, the court battle between MIC president Datuk Samy Vellu and his vice-president Mr V. Govindaraj, and the Gerakan-MCA bickering.)

Earlier, Datuk Seri Dr Mahathir said that while the majority of Malaysians want a peaceful, secure and prosperous life, there were some who were easily swayed by the extreme stands of a number of people who raise racial and sensitive issues for their own political aims.

This was very disheartening because such political tactics, although mainly used during election time, nevertheless brings anxiety to the people who do not quite understand the real situation and issues, he said.

Their feelings and sentiments could be easily aroused, he added.

He said that this happened in Kepajang and Bandar Raub where the Barisan Nasional lost both seats in by-elections because the opposition party had used racial issues. (The DAP won both seats).

CSO: 4200/821

'SUBSIDIZED SOCIETY' FEARED; SELF-RELIANCE URGED

Kuching THE SARAWAK TRIBUNE in English 23 Jul 83 p 2

[Editorial: "Self-Help"]

[Text]

The recent statement by the Prime Minister, Datuk Seri Dr Mahathir Mohamad, to the effect that the people must make an effort to help themselves, rather than sit back and wait for the government to step in, is hardly a new one, for this is something that has been constantly reiterated by various government leaders over the years.

The ever-present danger in a country such as Malaysia, where the government is making strenuous efforts to uplift the living standards of the people — and is involving itself heavily in these efforts — is that the people will lose their spirit of self-reliance and initiative and instead adopt a tendency to sit back and wait until government aid is forthcoming before venturing into a new project of benefit to themselves.

Because the government is doing so much, there are some people who believe that they are entitled to government assistance as of

right, even though they may well be capable of improving their own lot without any outside help.

There are, for example, people who have sufficient capital of their own to venture into business but who prefer to borrow money from the government rather than use their own savings or assets.

There are also people who could, if they tried hard enough, build their own houses but who prefer to apply for a government-built, low-cost house, and use their own money for some other purpose. Such an attitude as this may well lead to Malaysians becoming a 'subsidy society', the government fears, and this will not augur well for the future for such people will lack the drive and initiative essential if they are going to make any real and permanent progress.

What the government would like to see is a society, the members of which venture forth on their own initiative, using their own resources and turning to

the government for assistance only when they faced insurmountable problems. Thus, it is necessary, from time to time, for reminders to be given to the people not to rely too much on the government and not to expect the government to do everything for them.

It would be safe to say, too, that the people most affected by this attitude are the Bumiputras. But if, in the process, the Bumiputras grow overly reliant on government assistance, then the efforts to produce a dynamic Bumiputra community will be largely defeated.

Greater efforts by the people, the Bumiputras especially, are essential then if we are not going to end up by creating a class of people who are totally incapable of working independently on their own progress but who are instead wholly reliant on government assistance — a class of people lacking in initiative, a spirit of self-reliance, enterprise and progress.

PRIME MINISTER WARNS BUSINESSMEN AGAINST 'OVERDEPENDENCE' ON GOVERNMENT

Kuala Lumpur NEW STRaits TIMES in English 25 Jul 83 p 5

[Text]

KUALA LUMPUR.
Sun. — The Prime Minister yesterday warned entrepreneurs and businessmen against overdependence on the Government which could prevent them from competing effectively in the local and world markets.

Datuk Seri Dr Mahathir expressed regret that such an attitude was prevalent in the country, particularly among Bumiputras.

He said government aid might be vital for certain fields in the initial stages but these should be discarded as soon as possible.

He stressed that genuine success lay in efficiency in management, production and marketing.

The Prime Minister said it was these qualities that had enabled countries like South Korea and Taiwan to compete effectively in the world market.

Datuk Seri Dr Mahathir said this when he opened the factory complex of Sapura Holdings, a wholly-owned Bumipu-

tra electronics-based company, at the PKNB industrial estate in Ulu Kelang near here.

Selangor Menteri Besar Datuk Haji Ahmad Razali Mohamed Ali, Trade and Industry Minister Tengku Ahmad Rithauddeen and Energy, Telecommunications and Posts Minister Datuk Lee Moggie were among the 500 guests present.

"Whenever we want to set up a business, we clamour for government protection and such other privileges as subsidies or tax exemptions," the Prime Minister said.

Because their success depended on government assistance, these businessmen might not succeed in other countries where the host governments do not provide similar protection, he said.

Crutches

"This means that Malaysian businesses and industries might not be able to compete in the world market and become a burden to the consumers who are deprived of the chance to buy cheaper imported goods."

He said other countries

were able to sell their products at competitive prices because of their efficiency in management, production and marketing.

In Malaysia, whenever anyone wishes to take up business, the first thing that comes to his mind is what the Government must do to ensure his success.

This trait is more obvious among Bumiputras. As such, there are hardly any attempts to become more efficient and productive."

Consequently, Malaysian industries, except for the plantation and mining sectors, are not competitive.

The Prime Minister described government aid as a crutch for a limp. While crutches enable the lame to walk, it also hinders him from running, he said.

"Crutches can be temporarily used but in Malaysia they become permanent once they have been used," he added.

If the crutches are not discarded as soon as possible, what are considered profits, will be, in fact, uncollected government taxes or a burden borne by the consumers, he said.

CSO: 4200/821

EDITORIAL ON GOVERNMENT SPENDING CUTS

Kuala Lumpur NEW STRAITS TIMES in English 1 Aug 83 p 16

[Editorial]

[Text] There is considerable evidence that spending cuts in the government are having a positive effect on the national budget. The austerity measures instituted one year ago trimmed public sector allocation by about \$4.5 billion. This reduction contributed to a lowering of the budget deficit by about 12 per cent compared with the previous year.

Though the economy shows some signs of improving, there should, nevertheless, be no let-up in the drive for economy in government. The reasons for continuing belt-tightening are as valid today as they were when first contemplated. Our public sector spending is too high. It accounts for 38 per cent of the GNP and this figure is one of the highest in the world. Operating expenses account for over 80 per cent of government spending and take up \$17 billion a year.

In the background of an uncertain global economic recovery, it is necessary that we remain thrifty and keep the fat trimmed. The experience of the last year proves that despite the financial constraints suffered by government departments, there was no breakdown of services to the public. We managed to function as well as before — perhaps even more effectively because of prudent deployment of manpower and resources. Such fine tuning must continue.

It is in this spirit that the Prime Minister has announced that in order to minimize public spending, ceilings will be placed on mileage claims by civil servants. The use of electricity and telephones in government departments is to be cut down. The policy directive against overseas trips is to continue. The annual \$200,000 constituency allocation to MPs is frozen. There is a small (6.5 per cent) drop in spending on non-essential development projects.

Such measures have, undoubtedly, eased the strain on the budget. But what is also necessary is a change of attitude by civil servants towards public property and public resources. There is abysmal unconcern about the exorbitant amounts wasted on electricity, water and stationery. Thousands, if not millions, are spent on banners and bunting and tinsel and trimmings at 'opening' and 'closing' ceremonies. The knee-jerk reaction to any expansion of administrative functions is to ask for more staff and equipment even if the existing resources are under-utilised. There is inadequate appreciation of the fact that whatever the government spends or is made to spend must, ultimately, come from the pocket of the taxpayer.

CSO: 4200/824

PRIME MINISTER SAYS GOVERNMENT HAS NO INTENTION OF OPPRESSING WORKERS

Kuching THE BORNEO POST in English 30 Jul 83 p 3

[Text]

KUALA LUMPUR, Fri: —Datuk Seri Dr. Mahathir said the Government has no intention to oppress the workers or to disregard the trade unions.

On the other hand, it hoped to work with them in partnership, the Prime Minister said when opening the 16th Cuepac's Triennial Convention here yesterday.

He said the Government, employers and the trade unions should not look at each other as enemies but should work together as one big family.

Confrontation had no place in such a relationship, he added.

Datuk Seri Dr. Mahathir said he was confident that with increased efficiency in the Government administration, more revenue could be collected and more allocation could be made on projects that could benefit the people as well as the Government.

In this respect, he said, the Government was prepared to cooperate with Cuepac's new leadership to be elected at the four-day convention.

However, the Prime Minister reminded Cuepac's to review its position as the situation was no longer in this modern age the relationship between the workers and employers should be one of mutual partners.

It was wrong to think that workers could be sacked anytime when a company made a loss or workers

could leave their employments when offered higher salaries elsewhere.

Through this concept of partnership between workers and employers that the Government has suggested the formation of inhouse unions instead of trade unions.

similar to that of the 19th century when trade unionism emerged in the country.

He would like them to consider whether confrontation, threats and industrial actions were needed to overcome present problems.

He regretted the thinking that workers and employers were enemies still prevailed until now. As a result all actions were based on this enmity.

"Perhaps there are other forms of relationships between workers and employers which have not crossed our minds," he added.

Datuk Seri Dr. Mahathir urged Malaysian workers not to be influenced by the trade union system in Europe as this could only damage the nation's economy.

If the economy collapsed, the workers too would suffer, he said.

He said if they had the chance, these foreign trade unions would not hesitate to interfere in the economic and political affairs of Malaysia.

"They are prepared to act against our property in their countries because they know that we will not harm their property here," he added.

CSO: 4200/824

PRIME MINISTER ON GOVERNMENT POLICIES

Kuala Lumpur NEW STRAITS TIMES in English 24 Jul 83 p 8

[Text]

KUALA LUMPUR, Sat. — The Government has formulated a number of policy adaptations and approaches to enable the country to achieve a higher level of progress and development, Datuk Seri Dr Mahathir Mohamad said today.

It is also to enable the people to obtain more benefits from development, he added at the opening of Gerakan's annual meeting here.

However, he noted that many leaders, officers and the public were com-

posed and did not fully understand the approaches which could, in fact, be easily understood by reading and analysing the concept or policy concerned.

He added that if a person did not understand on the first reading, then he should read it again so that he could see the particular emphasis.

Citing the Look East policy as an example, he said that he has clarified a number of times that it was aimed at taking the good examples from countries which were

more developed, like Japan and Korea, especially on such aspects as work ethics, management methods and increased productivity.

He also made reference to the Malaysia Incorporated concept, the International Islamic University and the Islamic Bank and said there were still leaders who did not fully understand these.

He also said that it was important for non-Muslims to know about Islam and for Muslims to know about others' beliefs.

CSO: 4200/821

PRIME MINISTER ISSUES CIRCULAR ON NEW POLICIES

Kuala Lumpur NEW STRAITS TIMES in English 1 Aug 83 pp 1, 2

(Text)

KUALA LUMPUR. Sun. — Datuk Seri Dr Mahathir Mohamad has issued a circular to all heads of Government departments explaining the Government's new policies regarding the Look East concept, Malaysia Incorporated, Privatisation and Leadership by Example.

On the Look East policy, the Prime Minister said this meant emulating countries in the East, which were fast developing, in the efforts to develop Malaysia.

Matters deserving attention were diligence and discipline in work, loyalty to the nation and industry or trade, where employees give priority to group and not individual efforts.

The policy also stressed productivity and high quality, upgrading efficiency, cutting down waste and narrowing the gap between executives and workers.

The circular has been passed to Secretaries-General of the Ministries, heads of federal Government departments, Directors-General of statutory bodies and State Secretaries for dissemination to their staff.

The Prime Minister explained in the circular that the Look East concept did not mean asking from the Eastern countries or transferring responsibility of developing the nation to those countries.

"The responsibility towards our country is ours and not others," he

said.

Datuk Seri Dr Mahathir said the concept did not mean purchasing all our requirements or giving contracts to companies in the East except when their offers were good.

On the Malaysia Incorporated concept, he said this meant that Malaysia was a company where both the Government and the private sector were joint owners.

"If Malaysia is considered a company, then Malaysians, who are either Government or private sector workers, are also the owners and employees in Malaysia Incorporated."

"The company therefore depends on the efforts and co-operation of all sides, either from the Government or the private sector," he said.

Burden

He stressed that the Government shouldered all expenditures, including staff salaries, from the taxes and revenue collected from the activities and profits of private businesses and industries.

Datuk Seri Dr Mahathir considered Malaysia Incorporated as a co-operation concept between the Government and the private sector so that the latter could attain success and upgrade its contributions towards national development.

On privatisation, he said it meant the transfer of Government ser-

vices and industries to the private sector.

Normally, companies and services owned and managed by the Government were less successful or were run at a loss as Government management methods differed vastly from that of the private sector.

On the other hand, private businesses and industries were usually profitable.

On the Leadership by Example concept, he hoped it would be practised by politicians and public sector employees.

CSO: 4200/824

FACE REALITY, MUSA TELLS ELECTED REPRESENTATIVES

Kuching THE BORNEO POST in English 31 Jul 83 p 1

[Text]

JOHOR BAHRU, Sat:—Deputy Prime Minister Datuk Musa Hitam has urged elected representatives to face the reality of the current economic recession and not to promise to forward the people's requests for the consideration of the leaders if such requests could not be met.

He said the idea of passing the buck upstairs, which had been the practice in the past, was no longer encouraged because the party did not want the people to have false hopes.

He said that as a result of the economic recession, the role of the leaders had become more challenging because they could no longer provide their followers with everything they requested.

Datuk Musa said that though the leaders had to say 'we cannot give' at present, it was hoped that such a situation was merely temporary.

Datuk Musa, who is also UMNO Deputy President, said he was concerned that some politicians were still not brave enough to face reality.

Such an attitude would weaken the resolve of members of UMNO and the other component parties of the Barisan Nasional at branch or division level, because their requests would not be met, he told a Hari Raya gathering organized by the

Pulai UMNO Division at Tamboi near here last night.

Datuk Musa said UMNO members should be brave in facing the economic recession and show others a good example by patiently playing their constructive role and by supporting the party leadership and the government.

OVERCOME CHALLENGES

They should not think that the government had created this situation on purpose, as such thinking would benefit the opposition parties and the anti-establishment groups who were just waiting for an opportunity to discredit the government.

Datuk Musa was confident that UMNO members would be able to overcome the challenges posed by the religious fanatics if they were to say that UMNO practised the true teachings of Islam based on the concept of moderation.

He said that as long as UMNO members felt proud that they were members of a political party which practised the true teaching of Islam, UMNO would continue to represent the Malays who subscribed to the concept of a Malaysia for people of various communities and religions.
— Bernama

CSO: 4200/824

HOW THREAT FROM EXTREMISTS MAY BE COUNTERED

Kuala Lumpur NEW STRaits TIMES in English 31 Jul 83 pp 1, 2

[Article by K. Bala]

[Text]

JOHORE BAHRU, Sat.—The threat to Malay unity posed by Islamic religious extremists can be thwarted if the community faces the challenges bravely and not be coerced into thinking that they will be branded as anti-Islam if they do so, Datuk Musa Hitam said.

Addressing a Hari Raya gathering organised by the Pulai Umno division here last night, the Deputy Prime Minister said as long as Umno members were brave and not shy to say that the party preached the true teachings of Islam, the problem caused by the religious extremists could be surmounted.

Datuk Musa said the twin challenges posed by religious extremists and the economic slowdown "are a reality and challenges that we have not faced before."

He pointed out that previous challenges posed by religious extremists and communists had been overcome by the unity of Malays through Umno, adding that there were now signs of disunity because of the religious extremists.

"Now we are faced with religious extremists who dare to call fellow Malays kafirs (unbelievers) and who dare brand Umno members as followers of teachings contrary to Islam when Islam in fact is a religion of goodwill," he added.

"Whether we can face the challenge and overcome it is left to be seen as this is a problem that we have never tackled before."

Reality

"Moreover, these extremists are using religion as a tool and some may be shy or frightened to face them for fear of being branded as anti-Islam," he added.

Datuk Musa was however confident that the problem could be overcome as long as Umno members had faith in themselves. "Faith based on nationalism that had fought colonialism, communism and racial extremism and the belief that Umno follows moderate concepts."

"And as long as we are not shy and afraid to say that our party follows the true teachings of Islam, we will continue to remain a strong party that is in the forefront in representing the Malays based on the concept of a multi-racial nation which we cherish," he added.

Datuk Musa also called on Umno members to accept and face the reality that Malaysia was affected by worldwide economic recession.

He said although there was reduction in allocation for projects in their respective divisions and branches due the economic slowdown, party

members should not lose faith in continuing with their struggle.

He said it had been past practice for Umno divisions and branches to ask for allocations for various projects whenever Ministers or MPs visited their constituencies and added that if the MPs were unable to fulfil the requests they "passed the buck to the Ministers."

However, just because these requests could not be met at the moment, it did not mean that the branches and divisions should lose heart and close down, he said.

Datuk Musa called on party members to be patient and not to be misled by mischievous elements while the Government was taking various measures to improve the country's economy.

CNOI : 4200/824

'NATIONALISM NEEDED FOR PROGRESS' DECLARES PM

Kuala Lumpur NEW STRAITS TIMES in English 2 Aug 83 p 1

[Article by John Pillai]

[Text]

TANJUNG MALIM, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamad today criticised those who branded nationalism as un-Islamic. Nationalism can, in fact, be used to build a strong and modern Malaysia if it is understood in its proper context, he said.

"Some factions in our country wholly reject nationalism as un-Islamic. Such a view has tended to cause anxiety and uncertainty among those who do not understand the concept of nationalism and its relationship with Islam," the Prime Minister said.

"Nationalism is not wrong, according to Islam. What is against Islam is not nationalism but the idolisation of a nation to the extent of casting aside religion.

"It is, therefore, important for the people to fully understand the concept of nationalism in its proper perspective," he said, in order to build a happy and progressive nation.

"To reject nationalism because of narrow-mindedness is not desirable as it can adversely affect the achievement of long-term objectives.

"The achievement of these objectives can, in fact, strengthen the values that are in line with the teachings of Islam.

"The type of nationalism we need now is not a narrow or parochial one.

What we need is one that injects wider values to lead us to progress.

"In the context of our country, nationalism covers the values of religion which is based on the values of Islam.

Values

Nationalism has a wider meaning than just struggling for Merdeka and upholding the sovereignty of the nation, he said at the opening of the education convention of the Sultan Idris Training College Old Students Association (Suloh Budiman) here.

What was important was to inject new values and aspirations to enable the nation to progress, he said, adding that the nation will not progress smoothly if the people failed to understand the concept of nationalism.

Nationalism, he said, had an important role in guiding the nation through present and future challenges.

Datuk Seri Dr Mahathir said the people should understand the needs of present day nationalism and help build a strong foundation for a modern nation.

He said the most appropriate brand of nationalism was one that spurred the people to work towards physical and spiritual progress.

"Such nationalism will produce individuals not only capable of standing on their own feet, but also with the will to work hard. They will also be imbued with high moral values in line with the principles of Rukunegara.

"Although we are an integrated society, we must gradually encourage the formation of the basis and features of a new modern Malaysian race in line with our national aspiration," he said.

One of the most important vehicles through which the spirit of nationalism in its proper perspective can be effectively implanted is education, he said.

"Education, whether in its formal or non-formal structure, is surely the most important channel to absorb the values inherent in nationalism," he said.

The Prime Minister said there was the question, too, of how "we should include the various aspects of nationalism" in the whole education system.

CSO: 4200/825

PROPOSED CONSTITUTION AMENDMENT TO CREATE MORE SEATS SUPPORTED

Kuala Lumpur NEW STRAITS TIMES in English 28 Jul 83 p 14

[Editorial: "A Larger Voice"]

[Text] Although the Election Commission had said last month that it was not recommending an increase in the number of constituencies, the time is right for the initiation of moves to amend the Constitution so as to allow for the creation of more Federal and State seats in the Government. There should be no hindrance to the passage through Parliament of the proposed Constitution Amendment Bill, which would allow for more than the 154 seats presently specified under Article 46. The present tally was set for the electorate standing in 1974 — and that electorate has grown by more than 62 per cent over its total of 4 million then.

The primary logic of more people meritng more elected representatives is alone sound enough to justify increasing the number of constituencies, but what must weigh heavily on Election Commission planners is the distribution and demarcation of the new constituencies — particularly since their creation will almost certainly necessitate a redrawing of the boundaries of existing constituencies. Furthermore, as the results of the 1980 census have shown, the years since 1974 have been characterised by a distinct shifting of the patterns of population. Perhaps the most significant of the changing trends brought to light by the census has been the lessening magnitude of urban drift

as compared with rural-rural migration. The new towns and settlements of the interior, the ongoing programmes of rural development agencies, the burgeoning of satellite townships around urban centres, improved transport and communications — all these have contributed to population redistributions that have led to marked changes in each State's socio-economic profile; as well as to the demographic structure of the nation as a whole. It is right that the number and distribution of constituencies be reappraised now, with cognisance taken of what we have learned about the changing face of the nation.

The proposed increase of 22 Parliamentary and 60 State seats is a hefty jump up from the 1974 increase of 10 and 30 respectively, and this is an indication of the rate of population growth — and the allocations of the new constituencies, with Sabah getting four and Selangor and the Federal Territory three each, is a further acknowledgement that growth will always tend to be concentrated in particular areas. Nonetheless, provided the Election Commission selects their locations and exterts judiciously, the remaining 72 seats will help ensure that the nation's growth continues to be matched by a concomitantly enhanced representation.

CSO: 4200/822

CONSTITUTION AMENDMENT BILL TABLED BY PRIME MINISTER; HOUSE APPROVES BILL

Kuala Lumpur NEW STRAITS TIMES in English 2 Aug 83 p 7

[Text]

DATUK Seri Dr Mahathir said the amendments to the Constitution being proposed were for the sake of the national interest.

"The amendments were not made indiscriminately, but took into consideration a number of factors.

"It was made for the people's interest, and for the effective administration and the running of the country," he said when tabling the Constitution (Amendment) Bill 1983 in Parliament yesterday.

The bill seeks, among other things, to:

- Clarify that Deputy Ministers, in assisting Ministers to discharge their duties and functions, would have all the powers of the Ministers;

- To increase the present number of Parliamentary seats by 22, 18 in Peninsular Malaysia and four in Sabah;

- Clarify Article 130;

- Provide that a member of the House, who is convicted or sentenced under Federal law, becomes disqualified from continuing to be a member 14 days from the date of such conviction;

- Allow Deputy Speaker of the Dewan Rakyat and the Deputy Speaker of the Dewan Negara to participate in business; and

Basic laws

- Abolish appeals to the Privy Council and to provide that the Federal Court is the last resort for appeals and to re-

name the Federal Court the Supreme Court.

Datuk Seri Dr Mahathir said laws are an important aspect of a country as they enable the country to be administered systematically.

Laws, he said, also ensure that the people can live peacefully and are protected from any threats or acts of suppression.

"However, since a country and its people are not static, but are constantly changing, the laws need to be amended and adjusted from time to time," he said.

"Such are the laws created by mankind. It is only the laws created by God that cannot be changed," he said.

However, the Prime Minister added that the Government will not amend the basic laws of the country indiscriminately.

Seats

"The amendments put forward are necessary as the conditions in the country are changing so much so that new amendments are needed to protect the people's and country's interests," he said.

Datuk Seri Dr Mahathir said the Bill is aimed at amending a number of articles in the Constitution, including the executive, the Federal executive body, the commissions, the judiciary and emergency powers.

Most of the proposed amendments, he said, are

consequential amendments, which are aimed at clarifying and erasing doubts on existing articles.

He said the spirit and principles embodied in the Constitution would not be affected with the proposed amendments.

The Prime Minister added that the constitution had also been amended previously with the latest one being made in 1961.

He said amendments to Article 63A were made to clarify that Deputy Ministers in assisting Ministers in discharging the duties and functions of the Ministers would have all the powers of the Ministers.

Parliamentary secretaries, in assisting Ministers and Deputy Ministers in discharging their duties, would also have the powers of the Ministers and the Deputy Ministers.

The amendments would enable the Deputy Minister and parliamentary secretary, on the orders of the Minister, to present Bills in Parliament, when the Minister is unable to do so for certain reasons.

"However, this does not mean that the Deputy Minister and parliamentary secretary have the same power as the Minister or can replace the Minister in the Cabinet or carry out the functions empowered to the Minister only," he said.

On the increase in Parliamentary seats, Datuk Seri Dr Mahathir said the last revision was made in

1973. Since then, the number of registered voters have increased 60 per cent.

He said in view of the increase, it has been proposed that the number of seats in the Dewan Rakyat be increased by 22, that is, 18 in Peninsular Malaysia and four in Sabah. With this increase the number of seats in the Dewan Rakyat is 176.

The number of seats in Sarawak remains unchanged as the last election constituency revision was made in 1977. Under the Constitution a revision can only be made eight years after the last revision.

With the increase, Kedah, Kelantan, Johore, Pahang, Penang, Perak and the Federal Territory will have two more seats each, Selangor, three and Sabah, four. Perlis will not get any additional seat.

Datuk Seri Dr Mahathir said according to the Constitution, Parliament has the authority to determine the number of seats in the Dewan Ra-

kyat for each State.

The demarcation of constituency boundaries would, however, be undertaken by the Election Commission after the amendment for the increase in seats has been adopted.

The demarcation must be completed not later than July 26, 1994. However, the new constituencies would only be used in the next election.

"If a by-election is necessary before the general elections, the existing constituencies would be used," he added.

On another amendment, Datuk Seri Dr Mahathir Mohamad said the Yang di-Pertuan Agong and the Sultans are a symbol of unity and respect for the people.

"This privileged position means that Their Majesties are non-partisan institution. They also do not involve themselves in political matters."

Discretion

"Based on this, the Fed-

eral and State Constitution have stated that in matters relating to the administration of the country, the Yang di-Pertuan Agong and the other Sultans must act on the advice of the Cabinet and other State Excos," he said.

The Constitution, he said has also provided for the Yang di-Pertuan Agong to act on his discretion on a number of matters.

"However, the declaration of emergencies is not included in the list of responsibilities where His Highness can act on his discretion.

"Article 60 (1) of the Federal Constitution provides that the Yang di-Pertuan Agong will act on the advice of the Cabinet or the Minister designated by the Cabinet."

He said amendments to Article 150 are aimed at clarifying that the Prime Minister is given the responsibility of advising the Yang di-Pertuan Agong on the declaration of emergencies.

The proposed amend-

ment to article 68 will incorporate a new clause which allows for the disqualification of an MP by reason of a conviction and sentence as provided for under article 68 (1) (e), only upon the expiry of 14 days from the date of conviction and sentence.

Those convicted under a Federal law relating to offences in connection with elections will also be disqualified after the proposed 14-day period.

The amendment also seeks to provide that if during such a period of 14 days the member brings an appeal or other court proceeding in respect of such conviction, the disqualification shall take place upon the expiry of 14 days from the date of disposal of the appeal or other court proceedings.

"If the member petitions for pardon within 14 days from the date of conviction and sentence the disqualification will take effect immediately upon the petition being disposed of," Datuk Seri Mahathir said.

House 'Ayes' to More Seats

THE House endorsed the constitutional amendment to provide for more parliamentary seats during the debate yesterday but called for the careful redrawing of boundaries to reflect more balanced racial compositions.

Mr Lee Lam Thye (DAP-Kuala Lumpur Bandar), the first to speak in the debate, called for an even spread of racial groups in each parliamentary seat so that power "will not be identified with any one race".

He said a similar restructuring like that of the New Economic Policy, which seeks to eliminate identification of any one race with any economic function, should be applied in the delineation of constituencies.

Mr Ng Cheng Kwei (BN-Lumut) proposed a 60-30-10 formula for the principle races to "institutionalise the spirit of nationalism in a multi-racial country".

The proposition is that members would represent a 60 per cent Malay and 30 per cent Chinese or 60 per cent Malay and 30 per cent Chinese and the rest Indians mix in each constituency.

"As long as elected representatives fight shy of championing the causes of other communities, the foundation stone for national integration...may not withstand major earthquakes involving race relations," he said.

DAP member for Kepong Dr Tan Seng Giaw argued that the current electoral system gave unfair weightage to rural areas.

He said that in the last election Umno won 35.94 per cent of all votes cast and 70 seats while the DAP obtained 20.3 per cent and six parliamentary constituencies.

ANOTHER 22 FEDERAL, 60 STATE SEATS PROPOSED

Kuala Lumpur NEW STRAITS TIMES in English 25 Jul 83 p 1

[Text]

KUALA LUMPUR,
Sun. — The country will have an additional 22 Parliamentary seats and more than 60 State constituencies under the proposed Constitution Amendment Bill to be tabled at the Parliamentary session beginning tomorrow. Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the Government was proposing more constituencies because of the increase in the number of voters.

Asked where the new constituencies would be, he said this would be up to the Election Commission to decide.

Revision

"We can make provisions for the creation of additional constituencies but their location and delineation of boundaries will have to be decided by the commission," he added.

It had been reported that all States except Perlis will have at least one more Parliamentary constituency.

Among the States affected, Sabah is expected to have four additional constituencies, Selangor three, Kelantan one, Johore two, the Federal Territory three, Perak two, and Malacca one.

The last revision was made in July 1974.

The Prime Minister

also said the Bill sought to authorise Deputy Ministers and Parliamentary secretaries to present Bills in Parliament. At present, only Ministers are allowed to do so.

Part-timers

Datuk Seri Dr Mahathir said there would also be provisions in the Bill allowing the Deputy Speaker of the Dewan Rakyat and the Deputy President of the Dewan Negara to participate in business.

"This means that we are reverting to the old practice whereby the Deputy Speaker and Deputy President are considered part-timers and don't have to give up their involvement in business or professional practice."

But he said their salaries would be reduced and they would receive an allowance.

Datuk Seri Dr Mahathir said the decision was made because of the difficulty in getting people to serve in the two posts because "most would rather do their own business".

The Government has also proposed extending the ruling to cover deputy chairmen of the various commissions, including the Election Commission and the Public Services Commission.

"This is also because of difficulties in getting candidates to serve on the commissions," he added. — Bernama

ADIB DEFENDS BERNAMA'S FOREIGN NEWS TAKEOVER

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 83 p 8

[Excerpts]

THE channelling of all foreign news through the national news agency, Bernama, will not jeopardise Press freedom in Malaysia, Information Minister Datuk Seri Adib Adam said yesterday.

Trying to allay fears that making Bernama the sole distributor of foreign news would result in the public getting censored versions, he said the National News Agency Act 1967 forbade any form of filtering of incoming foreign news.

In a written reply to a question by Dr Kok Tsoo Koon (BN-Tanjong), Datuk Seri Adib said Article 21(1) of the Act assured Bernama's clients that if they wanted, Bernama would make available full and unedited copies of foreign news from any news agency.

The Government had announced recently that Bernama would become the sole distributor of foreign news from May 1984. This drew protests from several newspaper groups.

Datuk Seri Adib said there was "nothing unusual" about a national news agency offering foreign news service.

"It is an accepted norm in most countries," he said.

He reminded MPs that it was the House that had given Bernama the mandate to distribute foreign news.

He said that as far back as the Sixties, before the mandate was given, several MPs had urged that the distribution of foreign

news be handled by a quasi-Government agency.

It was subsequent to that that Bernama was established and given the right to distribute foreign news in the country.

The Minister added that the local Press occupied an "important position" in Bernama's administration.

Under Article 5(2) of the National News Agency Act, Bernama's board of governors must consist of representatives from newspapers who subscribed to Bernama.

Section Seven of the Act, he added, provides for a High Court judge, appointed by the Chief Justice, to head a supervisory council.

Datuk Seri Adib gave several other reasons why Bernama should be made the sole distributor of foreign news.

"It would modernise Bernama and strengthen its position as the national news agency. Bernama would benefit financially."

"It would provide more extensive coverage of foreign news to the local Press since the majority of newspapers in Malaysia cannot afford to subscribe to all the major international news agencies."

"Bernama would be in a position to bargain for lower subscription rates."

"It would improve the imbalance of news which presently favoured the North."

WATER DEMAND TO DOUBLE BY YEAR 2000

Kuala Lumpur NEW STRAITS TIMES in English 2 Aug 83 p 4

[Text]

KUALA LUMPUR, Mon. — The demand for water in Malaysia will double at the end of the century — from 8,870 million cubic metre per year in 1980 to 15,220 million cu.m. annually by the year 2000.

This is shown in the recently completed water resources study for the country.

"An important implication of this finding is that heavy investments on water resources development projects will be necessary to cope with this demand," said the Director-General of the Drainage and Irrigation Department, Mr. Pang Leong Hoon.

He was delivering a keynote address at the Asean-EBC seminar on Water Resource Management — Problems and Prospects.

He said that over the years, the more readily available portion of water resources have largely been developed. These were low flows that were comparatively easy to tap by means of simple engineering works such as diversion or low-head pump lifting.

However, he said that further development involving large quantities of water would have to depend more on regulating, storage or transfer of water over long distances.

Flood loss

Consequently, individual projects in the future would cost more to construct and operate than projects already constructed, he added.

The treatment cost of water would be higher while water courses which provide the supply would become increasingly subject to pollution from a variety of sources, he said.

In addition, there were also the problems associated with the ba-

sic characteristics of water resources — its uneven distribution in time and space.

In the extreme form, this could result in severe flooding and drainage problems.

"A trend of rising flood loss and damage in both urban and rural areas is discernible in recent years," he said.

"Correspondingly, a programme of flood mitigation and drainage works to protect both urban and agricultural lands will be necessary and will require fairly substantial investment."

In another paper presented by Mr. Pang and Mr. Sieh Kok Chi, also of the DID, they said that the spectre of water shortage in Malaysia was a real and long-term possibility.

This was because population increase and socio-economic progress would further strain this resource with the increasing demand for water for domestic, industrial and agricultural use.

Storage

At the same time, carelessness management, pollution and inadequate conservation threatened to reduce the availability of usable water.

However, they said, Malaysia on the whole had sufficient water resources for development to meet all existing and future demands.

But in view of the uneven distribution of rainfall, the development of

water resources to meet future demands would have to depend on storage schemes.

In this regard, they said that 63 potential storage dam sites had been identified under the national water resources study and these would play a major role in the water resources development of the country.

The 63 storage dam sites, of which 18 were multi-purpose, had been identified for possible development within the next two decades.

CSO: 4200/825

PROTECTION FOR MALAYSIA'S WATER RESOURCES

Kuala Lumpur NEW STRAITS TIMES in English 2 Aug 83 p 4

[Text]

KUALA LUMPUR. Mon. Science, Technology and Environment Minister Datuk Amar Stephen Yong said today his Ministry would continue to take positive action to overcome environmental problems which impinge on water resource protection and conservation.

Datuk Amar Yong was opening the five-day Asean EEC seminar on water resource management in relation to its problems and prospects.

He said that Peninsular Malaysia received an estimated 320 billion cubic metres of rainfall annually based on a mean rainfall of 2,400 millimetres per year.

A large part of this was lost through evapo-transpiration. Taking this into account, the total average annual surface water resources in the peninsula was estimated at 150 billion cubic metres.

Of this, some 65 per cent was estimated to run off to the sea and 25 per cent used for purposes such as hydro-electric power generation and channel maintenance.

"Only about 10 per cent or 16 billion cubic metres is available for other

uses, including domestic and industrial water supply and irrigation," he said.

Like most other developing countries, Malaysia has been rapidly transforming vast areas of its natural jungles and forests into agricultural land, he said.

The major changes in land use had, however, produced profound effects not only on the hydrological cycle in the affected areas, but also on the physical, chemical and biological properties of the soil and the environment.

He also said that it had now become urgent for developing countries to recognise the rapid deterioration of the environment that could occur, particularly in the quality of water flowing in rivers and streams.

He said that the various water resource studies to date pointed to a scenario where the availability of sufficient water of suitable quality could become a critical factor restricting future growth.

"Therefore," he said, "adequate measures to

protect and manage our water resources have become more urgent, if we are to ensure that water will not become the limiting factor which would affect the economic growth of the country."

On Asean, he said that the member countries had taken cognizance of environmental issues in order to ensure sustained development.

He also suggested the setting up of an Asean centre for water resources development and management.

About 20 participants from the five Asean nations are taking part in the seminar organised by the Ministry of Science, Technology and Environment in co-operation with the Public Works Department, Drainage and Irrigation Department and Economic Planning Unit of the Prime Minister's Department.

The EEC is sponsoring the seminar which is aimed at assessing present and future developments in water resource management in Asean as well as identifying key problems and shortcomings common to the member nations.

C.S.O.: 4200/825

MALAYSIA

MALAYSIA RECORDS \$26.5 MILLION SURPLUS IN MAY

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 83 p 21

[Text]

PENINSULAR Malaysia recorded a trade surplus of \$26.5 million in May this year, the Statistics Department reported.

This compares with a deficit of \$27.1 million in April and a larger deficit of \$766.2 million in May last year.

Total exports from Peninsular Malaysia in May was \$2,230.4 million against \$2,004.2 million in April and \$1,869.3 million in May last year.

Deficit

Imports, on the other hand, amounted to \$2,256.9 million in May against \$2,301.3 million in April and \$2,000.6 million in May last year.

Peninsular Malaysia's exports during the first five months of this year amounted to \$9,783.5 million (\$8,711.6 million in the previous corresponding period) while its imports amounted to \$11,843.2 million (\$10,943.8 million).

Consequently, there was a trade deficit of \$1,460.7 million for the five months against a deficit of \$1,232.2 million previously. — Berita Sinar KK.

CSO: 4200/826

MOVE TO PREPARE TRADE MINISTRY FOR NEW ROLE

Kuala Lumpur BUSINESS TIMES in English 2 Aug 83 p 1

[Text]

SERIOUS discussions are being held at various levels to devise measures for strengthening the Ministry of Trade and Industry to assume the responsibility it will have to bear once the proposed Malaysia Inc. concept is implemented.

Eventually, the ministry could take a form similar to that of Japan's Ministry of International Trade and Industry (Mitii). Under Mitii's guidance and supervision, Japanese industry has been able to coordinate its moves effectively with the public sector to help in trade expansion and in the improvement of efficiency.

It is understood that possible administrative reforms were discussed at a seminar on Malaysia Inc. held at the National Institute of Public Administration of Malaysia (Intam) in Petaling Jaya last May. A paper outlining proposals has been forwarded to the relevant authorities.

Tengku Ahmad Rith-audeen, the Minister of Trade and Industry, yesterday did not rule out the possibility of reforms but added that there was plenty of work to be done before the proposals could be translated into practice.

The ministry's new role, if and when implemented, would require the creation of new departments to work with the private sector in a common effort to promote efficiency at home and competitiveness abroad. The existing departments too could be strengthened, and greater emphasis placed on the International Trade division.

There could also be considerable adjustments in the role and functions of trade commissioners abroad. The one-stop investment agency, the Malaysian Industrial Development Authority (Mida), might also undergo some change in emphasis.

CSO: 4200/825

THINK BIG, MALAY PETTY TRADERS TOLD

Kuala Lumpur NEW STRaits TIMES in English 25 Jul 83 p 5

(Text)

KUALA LUMPUR, Sun. — Malay petty traders and vendors should aspire to greater profits and aim for wealth instead of making only enough for daily income, Finance Minister Tongku Razaleigh Hamzah said last night.

"There is a need to change the attitude of doing business only for daily income. Traders should break into the competitive world, strive after success and look for big profits and expansion," he told members of the Federation of Malay Petty

Traders and Vendors' Associations.

There is a need to implant the spirit and motive for reaping big profits, he said, adding that if the members' businesses had remained small scale, the federation would not have achieved success.

The Minister was inaugurating the first issue of the federation's monthly journal. He said the paper, *Saraw Penjaja Malaysia*, would keep the authorities informed on the problems of the federation's 70,000 members.

CSO: 4200/821

TALKS ON IMPORTING INDONESIAN WORKERS UNDER WAY

Kuala Lumpur BUSINESS TIMES in English 12 Aug 83 p 20

[Article by Hardev Kaur]

[Text]

NEGOTIATIONS between Malaysia and Indonesia are under way to draw up an agreement satisfactory to both parties to facilitate Malaysian recruitment of Indonesian workers.

Asked to comment on a report from Jakarta that an agreement will be signed between the two countries soon, Datuk Musa Hitam said nothing had as yet been "firmed up" though negotiations were taking place.

The Acting Prime Minister said the negotiations on a government-to-government basis will involve various aspects and details. This naturally took time.

Reports from Jakarta said a number of "rounds of discussions had been held" and that a special task force had been set up in Indonesia to select workers for employment in Malaysia and West Asia.

It is understood that the proposed agreement would cover the terms and conditions of employment, welfare provisions, the length of employment and other related matters.

Because of labour shortages in the plantation and construction sectors of the Malaysian economy, it is felt that Indonesian workers with the requisite skills can provide useful relief.

Earlier, commemorating the 17th anniversary of the ending of confrontation between Malaysia and Indonesia, Datuk Musa said it was important for the two countries to make full use "of their common denominators" to forge closer relations.

He warned if relations between the two cooled, it would have adverse effects on the South-East Asian region. Malaysia could provide, by acting together, a strong foundation for regional solidarity. It was therefore essential to ensure that relations between the two continued to be further strengthened.

The Acting Prime Minister noted that "blood was thicker than water," and added that the future generations should learn from history and use it as a base to understand and accept realities.

He pointed out that the younger generations should consider the "wis-

dom, maturity and political will" displayed in solving the conflict between Malaysia and Indonesia in the early 1960s. Those who brought about a rapprochement tries to stand united for the sake of peace in the region.

Datuk Musa said he was unhappy to note that youth of the two countries did not meet face-to-face as frequently as desired as this could help foster closer relations.

He gave an assurance that "the Malaysian government would continue to expand the areas of co-operation to ensure that the cordial and friendly relations between the two countries continued forever."

Tun Adam Malik, the former Indonesian Vice President, referring to the reconciliation of the mid 1960s, said in Kuala Lumpur yesterday that while history could not be rewritten, people of both countries should learn a lesson from the bitter truth and experiences of the confrontation.

He said the task now was for the people to consider what could be done to further promote closer

relations and to help solve the common problems such as the current economic recession, the Kampuchean issue and the problem posed by communist activities.

He said efforts should be made to strengthen the resolve of Asean in this Malaysia and Indonesia as the "backbone" of Asean had a responsibility to ensure that the grouping continued to flourish.

He stressed efforts should be made to ensure the region remained free of nuclear weapons as this was part of the concept of the Zone of Peace, Freedom and Neutrality (ZOPFAN) formulated by Asean.

Also present at the ceremony were members of the Indonesian delegation who directly or indirectly assisted in ending the conflict. They included General Ali Murtopo, the former Indonesian Information Minister.

Tan Sri Ghazali Shafie, Minister of Foreign Affairs, was also present at the ceremony. He was then the Foreign Ministry's secretary general and assisted in restoring relations.

PRIORITY FOR POVERTY ERADICATION PROJECTS URGED

Kuala Lumpur NEW STRaits TIMES in English 29 Jul 83 p 14

[Text]

POVERTY eradication programmes are still being given priority even when the Government is cutting expenditure on development projects due to the economic slowdown.

Deputy Prime Minister Datuk Musa Hitam said programmes which were directly involved in the fight against poverty would not be rescheduled if the Government could help it.

He was replying to a supplementary question by Datin Paduka Zaleha Ismail (BN-Tanjong Karang) who wanted to know whether the cuts in Government allocations would hinder the Government's anti-poverty efforts under the Fourth Malaysia Plan (FMP).

Datuk Musa said it could not be denied that there were bound to be some "negative implications" on the nation's development process because of the cuts in funds.

To another supplementary question by Encik Namaq Ghazalee Abdul Rahman (BN-Ulu Nerus), he said the Government was conducting a study on a new strategy to combat poverty which would be adopted during the FMP mid-term review.

To the original question by Encik Namaq, he said the Government had achieved "very satisfactory" progress in its ef-

forts to eradicate poverty in the country.

Amenities

The poverty level of 29.2 per cent in 1980 was considerably better than the projected target of 34 per cent.

The poverty level in rural areas had dropped from 36 per cent to 33 per cent in the 10 years from 1970, he added.

The Deputy Prime Minister also said that from 1981 to 1983 the Government had already spent \$30 million of the \$30 million allocated for the anti-poverty drive in new villages.

Datuk Musa dismissed a suggestion by Mr Sim Kwang Yang (DAP-Bandar Kuching) that the current crisis among Sarawak's component parties in the Barisan Nasional was sparked by the incidence of poverty in Sarawak, especially among the Ibans.

PM: CAR PROJECT VITAL PART OF INDUSTRIAL PUSH

Kuala Lumpur BUSINESS TIMES in English 3 Aug 83 pp 1, 20

[Text]

THE country's sizeable foreign debt is likely to be increased considerably by the Malaysian car and other heavy industry projects but Datuk Seri Dr Mahathir Mohamad is confident that Malaysia will be able to service it.

The outlay of foreign exchange would be high to set up factories for the heavy industry programme. For example, the foreign component of capital investment for the car project alone was estimated in the region of about \$300 million to \$400 million but, as the Prime Minister noted, a revived economy could take this in its stride.

Malaysia would then be able to meet debt obligations from its exports of primary commodities, he told Mr Denial Peria, editor of the Third World magazine *South*, in an interview. The article appeared in the August issue of the magazine.

Stressing the diversified nature of Malaysia's exports which include petroleum and manufactures, which makes the country less vulnerable, Dr Mahathir added. "You may not know it but we are the third biggest exporter of room air conditioners in the world. We are also the biggest exporter of microchips in the world."

The car project with its forward and backward linkages occupies an important place in Malaysia's ambitious heavy industries programme which will involve the setting up of steel plants and imports of machine-

ry and metal dies.

The publication, however, noted economists have cautioned that the whole undertaking would be a great strain on Malaysian finance and that the burden of foreign debt servicing, with new loans added, would be heavier.

It pointed out that Malaysia's export earnings in 1981 were \$25.78 billion. The total domestic and external debt was \$40.1 billion in 1982 and the share of the external debt 25.4 per cent of that. The share of the softer project loans in the foreign debt was 34.1 per cent in the early 1980s; market loans, with higher rates of interest, came mainly from the US (80.8 per cent) in the early 1980s.

Dr Mahathir has an answer for his critics, said the publication.

"The car is the nucleus of a very big series of industrial activities. In the first place it will enable us to understand engines and basic engineering. The development of the car engine is a very important part of an industrialisation programme.

"Some of the products that go into the making of a car are plastic-based, some are metal-based, some are high technology, now moving into electronics. We will be entering into a more sophisticated level of technology," Dr Mahathir said.

Replying to the critics' fear that Japan with which the Malaysian car is linked could work for a division of labour — man-

ufacturing components in the Philippines and Thailand for example — Dr Mahathir said

"Not with this project. This is basically a joint venture between a Japanese and Malaysian company. The agreement is such that the dealings will only be between Malaysia and Japan. But we would welcome some of the complementary development with our industries and those of the Association of South-East Asian Nations.

"There is an Asean complementary arrangement but this has not taken off. While we wait for that to take off, we have to go ahead with our plans."

Asked if Malaysians would be tied to a single model, he replied: "If you look at Malaysian streets there is every make under the sun. Most countries limit the number of makes that they allow into the country, for the simple reason that they want one make to acquire a large volume, so that it may be possible to manufacture it.

"Malaysians are choosing this line of action rather late in the day. But better late than never. We will have to put up with a smaller number of designs. Of course, the car that we are going to produce will not be of one design. There will be variations of the same theme. There are many ways of making a car look different."

INCOMES HAVE INCREASED: MUSA

Kuching THE BORNEO POST in English 28 Jul 83 p 1

[Text]

KUALA LUMPUR, Wed:-The incomes of the various socio-economic groups have increased according to data for 1970 to 1979, Datuk Musa Hitam said today.

Household incomes of Bumiputeras, for example, rose in real terms by 1.8 times during the period, Datuk Musa said in the Dewan Rakyat in reply to Encik Fung Kit Wing (DAP - Sandakan).

The household earnings of Bumiputeras in the 40 per cent lowest income group increased from \$6.76 to \$40.35.

He said these figures however did not give an accurate picture of the improvements in the economic position of Bumiputeras.

Bumiputera interests were controlling the estate, mining and banking sectors among others. And more Bumiputeras were engaged in the economic sector of urban areas, including Kuala Lumpur.

Datuk Musa said that further improvements in household incomes could not be expected for 1981 to 1983 because

of the world-wide recession which was beyond the government's control.

He said that the existence of economic imbalances did not indicate the failure of the New Economic Policy.

"Encouraging" progress had been achieved in the first decade of the policy (1970-80). The poverty rate, for example, was reduced from 49.3 per cent to 29.2 per cent.

Datuk Musa said that Malaysia did not have abject poverty which existed in several other developing countries.

Replying to Encik Lee Lam Thye (DAP-Kuala Lumpur), he said the government was analysing all factors influencing the carrying out of the policy.

However, it was still too early to say whether the objectives of the policy could be achieved by 1990.

To a question from Encik Hassan Haji Mohamad (Hamin-Rantau Panjang), he said the government would continue to plan development after 1990 because development was a continuing process.

CSO: 4200/823

ONLY 7 YEARS LEFT UNDER NEP, MALAYS TOLD

Kuala Lumpur NEW STRAITS TIMES in English 28 Jul 83 p 7

[Text]

KUALA LUMPUR.
Wed. — Bumiputeras were today reminded that they have only seven more years to take advantage of the opportunities provided under the New Economic Policy (NEP).

Minister in the Prime Minister's Department Datuk Abdullah Haji Ahmad Badawi said that after 12 years some of the targets of the NEP had yet to be achieved.

He was addressing the opening of a three-day orientation programme for Bumiputera entrepreneurs organised by the Prime Minister's Department.

He urged Bumiputeras to work hand-in-hand with the Government to overcome any problems impeding their progress.

The 180 participants of the programme will leave next month for theoretical and practical training at various institutes and firms overseas to learn business skills.

Of the participants, 55 will leave for Canada, 35 the United States, 20 Italy, 20 Japan, 15 West Germany and 15 for Korea.

At the end of their three-month tour they will submit a report on what they have learned and how they are going to use the skills acquired

for their business ventures in the country.

Datuk Abdullah called on the Bumiputera business community to be more imaginative, creative and to put in their maximum effort to open up more business ventures which would more likely succeed.

"We have to increase the number of the Bumiputera entrepreneurs, which will in turn bring about an "entrepreneurial culture". This will help the community's progress in not only the cultural and social sectors but also in the economic field.

"Bumiputera entrepreneurs should not overly depend on the Government or its agencies for subsidies, contracts, financial aid and other incentives. They should be more independent in order to improve their standings and to face the business world," he said.

He described the setting up of a scheme to develop local entrepreneurs' skill as a positive move to achieve the targets of the New Economic Policy.

He told the participants to put into practice the skills they had acquired overseas to expand their business ventures.

CSO: 4200/822

EDITORIAL ON MALAYSIA'S SOGO SHOSHAS

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 83 p 16

[Editorial]

[Text] Malaysia's sogo shoshas may feel a sense of grievance, particularly at comments that take note of the fact that, for all the fanfare announcing their formation, little has been seen by way of trading activity or a setting up of the organisational base and network that are a necessary prelude to an expansion of commercial activity. The sogo shoshas have to take wing at a time when the world's economy is just showing incipient signs of recovery. A gathering of firms prepared to work together, backed by a collective weight of economic power, does not make it easier to agree on the resources that are to be pooled, the areas of trade that are to be exploited. Whether it be commodities or manufactured goods, the sogo shoshas have to establish sources of supply and to contend with existing firms. The sogo shoshas will also require financial incentives that will ease their entry into the big trading leagues.

All that having been said, it must still be noted that the sogo shoshas are not going to play with the big boys in the markets if they are going to take small steps — and even that, after lengthy deliberations. This is not to advocate a throwing away of caution or a taking of undue risks. But it is to suggest a necessary vision and imagination, coupled with a preparedness to venture into new ter-

ritory. The Prime Minister, in expressing his disappointment with the slow formation and growth of Malaysia's sogo shoshas, has commented that they must be ready to accept risks, even losses. The example of Intraco in Singapore, the rough spell in its early days, the experience acquired and the confidence that now motivates its ventures is a signal example close at hand.

The sogo shoshas can, and should, be provided with better access to credit outlets, particularly soft loan facilities. Regulations and limits governing areas such as foreign exchange and export allowance can be adjusted, without unduly favouring the few sogo shoshas at the expense of the many other firms. All these to allow the sogo shoshas to live with the thin profit margins that are a salient feature of such an economic creature. But they can be doing much more in approaching Malaysian manufacturers and offering them the sogo shoshas' channels of exports to overseas markets. The companies within the sogo shosha can be making efforts to get their staff to work more closely with each other, to exchange economic intelligence, and to reduce, and eventually eliminate, the wariness with which they regard each other and their own interests.

(SO: 4200/826

SINGAPORE INDUSTRIALISTS TO AID TRENGGANU DEVELOPMENT

Kuching SARAWAK TRIBUNE in English 29 Jul 83 p 3

[Text]

Kuala Trengganu, Thurs. - Singapore industrialists can participate effectively in the development of Trengganu especially in heavy and petroleum-related industries, it was said today.

Leader of the visiting delegation for the Singapore branch of the Commonwealth Parliamentary Association (CPA) Encik Yeo Ning Hong, said they had the experience to undertake petroleum, chemical, construction, steel and other heavy industry projects either directly or on a joint-venture basis.

Encik Yeo, who is the Republic's Deputy Defence Minister, was speaking to reporters after attending a development briefing at the state operations room here.

The 11-member delegation had earlier called on Menteri Besar Datuk Seri Amar Haji Wan

Mokhtar Ahmad and State Secretary Datuk Wirajaya. Yesterday it visited the Petronas refinery and the Trengganu crude oil terminal at Kertih.

Encik Yeo said he would inform Singapore industrialists of Trengganu's industrial potential and opportunities.

Encik Yeo also said his delegation was greatly impressed by the rapid developments taking place in Trengganu which he described as the fastest growing state in Malaysia.

Earlier, an officer of the State Development Office, Encik Mohamad Embong, told the delegation that Trengganu produced one-third of the nation's 300,000 barrels of oil per day.

The state government derived \$200 million a year from the five per cent royalty for the offshore oil

He also said that Malaysia's first specialized port at Teluk Kalung Kemaman to cater for the petroleum, gas and heavy industries, would be operational in August next year.

The port can handle ships of up to 220,000 dwt and would be one of the largest in south-east Asia.

The Principal Assistant Director (Industrial) of the Economic Planning Unit Encik Baharuddin Ismail, in his briefing said the state was moving ahead with various development projects apart from petroleum and gas-related industries.

The State Economic Development Corporation was concentrating on infrastructure development such as housing and industrial areas and the Trengganu Tengah Development Authority (Ketengah), on agriculture and land development.

CSO: 4200/823

NO PLAN FOR NEW OIL REFINING PLANTS: ONGKILI

Kuala Lumpur NEW STRAITS TIMES in English 28 Jul 83 p 8

[Text]

THE Government does not have plans to set up new oil refineries in the near future, the Minister in the Prime Minister's Department, Datuk James Ongkili, said yesterday.

"This is because existing refineries are sufficient to meet the country's needs," he said in reply to Mr Chan Kook Kit (DAP-Sungai Besi).

To a supplementary question by Mr Lim Kit Siang (DAP-Kota Melaka), Datuk Ongkili said the proposed oil refinery in Melaka was being reconsidered because of the present economic slowdown.

He added that if the refinery is approved, it could produce about 120,000 barrels a day.

Datuk Ongkili also said it is the Government's policy that the amount of crude oil produced would depend on the country's

needs.

To the original question by Haji Mohamad Zain Abdullah (Ind-Bachok), Datuk Ongkili said the three oil States — Terengganu, Sabah and Sarawak — produced about 300,000 barrels of crude a day in 1982.

He added that in 1982, the Esso Port Dickson refinery processed over 10,200 barrels of crude a day, the Shell Port Dickson refinery over 26,700 barrels and the Shell Lubutong refinery 15,500 barrels.

To another question by Encik Mamat Ghazalee Abdul Rahman (BN-Ulu Narus), Datuk Ongkili said the crude oil processed by the Petronas refinery in Kertih, Terengganu, would be distributed to the whole country, including Sabah and Sarawak.

This refinery, he added, can process some 80,000 barrels of crude a day.

CSO: 4200/822

EFFORTS TO TRAIN SKILLED WORKERS NOTED

Kuala Lumpur NEW STRAITS TIMES in English 29 Jul 83 p 15

[Text]

SINGAPORE. Thurs. — Malaysia is putting serious effort into training to increase its pool of skilled workers, Trade and Industry Minister Tengku Ahmad Rithauddeen said today.

Malaysia's industrialisation programme, he said, was expanding very rapidly and this required skilled labour.

Heavy Industries Corporation of Malaysia (Hicom), for instance, was implementing heavy industries such as the national car project and those also needed ancillary and supporting industries to complement their development, he said.

The Minister was speaking to newsmen on

his arrival here for a day-long visit. Later, he left for the Vocational and Industrial Training Board (VITB) headquarters where he was briefed by the Minister of State (Education) Dr Tay Eng Soon, who is also the VITB chairman.

Tengku Rithauddeen said if Malaysia were to attract industries and investments, it needed to have skilled and trained manpower.

He stressed that due to industrial development in the East Coast States of Peninsular Malaysia such as the gas and sponge-iron projects the country needed to co-ordinate its manpower requirements. — Bernama

CSO: 4200/823

MALAYSIA

OPPORTUNITIES FOR BUMIPUTERAS URGED

Kuala Lumpur NEW STRAITS TIMES in English 26 Jul 83 p 4

[Text]

KUALA LUMPUR, Mon.
Trade and Industry
Minister Tengku Ahmad
Rithauddeen today urged
Bumiputera industrialists to step up joint ven-
tures with foreign invest-
tors.

This, he said, was one
way to increase Bumipu-
tera participation in busi-
ness and industry.

Briefing members of
the Selangor Umno divi-
sion's economic bureau
here, he said the Govern-
ment was trying to lure
more foreign investment
in the country and Bumi-
puteras must grab the op-
portunities that arose.

He said that Bumipu-
teras should be active
partners and not "All Ba-
bas" in joint ventures.

He said that many in-
dustrial countries re-
garded Malaysia as a
"dumping ground" for
their products.

The Government had
to impose duties on these
products and enforce oth-
er measures to protect lo-
cal industries.

Local industries for
their part should up-
grade the quality of their
products to reduce im-
ports, Tengku Rithaud-
deen said. — Bernama .

CSO: 4200/822

'NOT TIME YET' TO INCLUDE OTHERS AS BUMIS

Kuala Lumpur NEW STRaits TIMES in English 28 Jul 83 p 8

[Text]

Datuk Musa Hitam yesterday said the time is not appropriate for the Government to amend the definition of "Bumiputera" to include all those born in the country.

Replying to Mr Lim Kit Siang (DAP-Kota Melaka), he said the Amanah Bahru Nasional (ABN) scheme was introduced to upgrade Bumiputera participation in investments.

"It has been accepted that in the economic sector, Bumiputeras are still not on par with the other races in the country. The ABN scheme is another step to put the Bumiputeras on equal footing with the other races.

"Therefore, the time is not appropriate to consider the honorable member's proposal that the definition be amended," he said.

Mr Lim wanted to know whether the Government would amend the definition of "Bumiputera" to include

all those born in this country for the sake of national unity.

To another supplementary question by Ench Hassan Mohammad (BN-Banua Panjang), the Deputy Prime Minister said the definition of "Bumiputera" is clearly stated in the Constitution.

"Therefore, those who fit the definition are eligible to participate in the ABN scheme," he said.

To another question by Mr Lim, Datuk Musa said one of the factors identified by the ABN on the status of Malaysian citizens of Thai descent staying in Kedah, Perlis and Kelantan is that they are entitled to own Malay reserve land.

To the original question by Dr Kok Kee Koo (BN-Tanjong), he affirmed that Malaysian citizens of Thai descent can participate in the ABN scheme.

"This is because they fit the Bumiputera definition."

CSO: 4200/822

MALAYSIA

ADIB CRITICIZES 'SLEEPING PARTNER' BUSINESSMEN

Kuala Lumpur NEW STRAITS TIMES in English 27 Jul 83 p 17

[Text]

KEMAMAN, Tues. — Bumiputeras who receive various Government benefits but are mere 'sleeping partners' in business were yesterday criticised by Information Minister Datuk Seri Adib Adam.

He said if this negative attitude prevailed, the Government efforts of achieving the objectives of the New Economic Policy would be greatly hampered.

Datuk Seri Adib was presenting a paper on the New Economic Policy — Aims and Objectives — at a seminar for Petronas scholars at the Moral Training School here. He said so far, the Government efforts had shown positive results.

He said although at the beginning, the non-Bumiputeras were unhappy with the policy, they gradually realised the importance of the policy.

He also said more opportunities have been given to Bumiputeras in the field of education and other sectors, including

trade and industry.

As a result, he said, more Bumiputera professionals and prominent businessmen have been produced.

Datuk Seri Adib explained to students who are studying in the United States, Canada and the United Kingdom of the Government's Malaysia Incorporated concept.

He reiterated the Prime Minister's statement which stated that under this concept, the Government and the private sector would work hand-in-hand in developing the country.

CSO: 4200/822

ISLAMIC BANK FOR EVERYONE: ANWAR

Kuala Lumpur NEW STRAITS TIMES in English 26 Jul 83 p 2

(Text)

KUALA LUMPUR. Mon. - Culture, Youth and Sports Minister Anwar Ibrahim today spoke out against a campaign against non Muslim participation in the Islamic Bank and the International Islamic University (IIU).

He said the campaign was being carried out by people who were ignorant about Islamic law, who thought the two institutions were solely for Muslims.

He was speaking to reporters after opening a regional architecture seminar organised jointly by the Aga Khan Award for Architecture and Universiti Teknologi at the UTM campus here.

Encik Anwar said the campaign reflected its leadership's narrow thinking and understand-

ing of Islamic teaching. He said participation of non Muslims in any Islamic institution should not be made an issue because Islamic teaching was for the benefit of humanity as a whole.

Justice

The Islamic Bank, which opened early this month has recruited some non Muslim staff while the Islamic University which started its first academic session recently has admitted non Muslim students.

The Minister said the non-Muslim presence in the two institutions showed the Government's fairness towards all races and religions in the country.

It also demonstrated that justice in Islam transcended racial and religious boundaries.

He added that youth of-

ficers at State and district levels would conduct information sessions on the bank and the Islamic University to prevent any misunderstanding.

Earlier, the Minister urged local architects to incorporate local elements in their design to help bring about a Malaysian architecture.

He said that the development of local architecture towards having its own identity was very disappointing.

Urging architects to understand the aspirations of the people, he suggested that they made more use of local materials in their buildings.

Encik Anwar said his Ministry would assist in any effort to evolve a Malaysian identity in Malaysian architecture. - Bernama

CSO: 4200/822

BAHASA'S CAPACITY FOR NEW WORD MEANINGS NOTED

Kuala Lumpur NEW STRaits TIMES in English 26 Jul 83 p 2

[Text]

KUALA LUMPUR.
Mon. — Dewan Bahasa dan Pustaka director-general Datuk Haji Hassan Ahmad said today that the people should accept Bahasa Malaysia as having the capacity to convey new meanings without borrowing the conventions of English or any other language.

"When we import a meaning or concept, it does not follow that we should also use the foreign words used to express this meaning or concept," he added at the opening of the 20th Bahasa Indonesia/Malaysia conference in Jakarta. The text of his speech was released here.

He said a correct terminology was one which was correct in structure or grammar and had adhered to the guidelines for creating a terminol-

ogy.

"A terminology that is exact in meaning is exact in its definition and we should not change a terminology simply because its meaning has changed or broadened with the advance of knowledge," he said.

Datuk Hassan said that terminologies that are established and widely used should be retained so that users of the language would not be confused.

Referring to the work of the Bahasa Malaysia/Indonesia permanent committee, he said that it might not be possible to wipe out certain differences between the two languages.

However, it was possible to prevent new and more serious differences from arising.

Efforts would continue to be made to develop common terminologies, Datuk Haji Hassan said.

CSO: 4200/822

DIESEL SUBSIDY UNDER REVIEW

Kuching THE BORNEO POST in English 17 Jul 83 p 1

[Text]

KEMAMAN, Sat:— The study to ascertain whether the diesel subsidy achieved its objective of alleviating the problems of the lower income group had yet to be completed, Trade and Industry Minister Tengku Ahmed Rithauddeen said today.

He said the study, being done by his ministry, so far showed that farmers made up only two per cent of those who benefited from the subsidy and fishermen, one per cent.

About 40 to 50 per cent of those who benefited from the scheme were industries, he told reporters after a briefing on the progress and development of the Petronas refinery at Kerteh, 40 km from here.

However, Tengku Rithauddeen did not say if the review would call for a withdrawal of the 14 cents per litre subsidy.

He said the diesel price of 46

cents per litre was the lowest in the region and this had encouraged diesel smuggling.

Tengku Rithauddeen said the government spent millions of dollars to maintain the diesel at a low price despite the economic slowdown.

He said the Prime Minister, Datuk Seri Dr. Mahathir Mohamad had directed his ministry to lead in training of manpower to fill the various industrial sectors that were being developed.

He said a meeting with MIDA recently had discussed the possibility that every plant, especially the electronic plants, should have a training centre to train their workers.

He hoped the private sector would play their part to provide such training as they also stood to gain. — Bernama

CSO: 4200/820

PALM OIL DIESEL CAN HELP MEET FUEL NEEDS: LEONG

Kuala Lumpur BUSINESS TIMES in English 1 Aug 83 p 1

[Text]

MALAYSIA'S total diesel needs and up to five per cent of its electricity demand can be met by processing local palm oil and its wastes, Primary Industries Minister Datuk Leong Khee Seong said at the weekend.

He said the country's production of 3.5 million tonnes of crude palm oil last year was sufficient to meet the national demand for 3.36 million tonnes of diesel.

Launching the steering committees on diesel and biogas at the Palm Oil Research Institute of Malaysia (Porim) headquarters in Kuala Lumpur on Saturday, he said preliminary studies had shown that conversion of palm oil into diesel was technically possible and had certain advantages.

He said a Porim project using palm oil diesel as fuel for some vehicles and water pumps had shown that there was a reduction of carbon particles from the exhaust, easier starting, smooth running and no knocking of the engine.

He said the diesel steering committee comprising representatives from local universities, Porim and Petronas would intensify laborato-

ry studies on palm oil diesel and set up a pilot plant with a capacity of about 3,000 tonnes diesel a year.

On costs of processing palm oil diesel, Datuk Leong said these had yet to be determined but experience of similar processing activities indicated a processing cost of \$100 a tonne.

He said the production of palm oil diesel was economically viable as it could be sold at \$444 a tonne which was considerably less than the current subsidised price of \$545 for petrol diesel.

On biogas, Datuk Leong said local palm oil mills had successfully used anaerobic digestion to treat effluents and in the process produced biogas containing about 70 per cent methane which could be harnessed to generate heat and electricity.

About 8.8 million tonnes of effluent were discharged from palm oil mills last year containing 369 cubic metres of methane which could generate 278 million kilowatt-hours of electricity.

He said the steering committee on biogas would undertake detailed

technical and feasibility studies on the conversion of palm oil mill effluents to methane gas for electricity generation to supplement the increasing national requirement for electricity.

The studies would also determine sources of effluents, design appropriate conversion plants, and assess costs of generating electricity from methane.

Datuk Leong said another valuable by-product from anaerobic digestion was the mother liquor which contained a high level of plant nutrients which could be recycled to the crops.

Trials on estates had shown that if the liquor was applied in controlled quantities, crop yield and soil properties could be improved and fertiliser bills could be minimised, he added.

Porim director-general Tan Sri Dr Anuwar Mahmud has been appointed chairman of both committees and members of the diesel steering committee also include Prof. F. Manurung, head of the University of Malaya's Chemical Engineering Department. — Bernama

CSO: 4200/825

OIL FIND BOOSTS BID BY STATE TO CATCH UP

Kuala Lumpur BUSINESS TIMES in English 1 Aug 83 p 2

[Text]

WITH the discovery of oil off its shores, Terengganu faces the challenge of catching up with the most advanced states, Menteri Besar Datuk Sri Amar Haji Wan Mokhtar Ahmad said on Saturday.

He said that several projects had been carried out to speed up the restructuring of the economy of the state to improve its performance.

These projects have helped increase Terengganu's gross domestic product by 15.3 per cent between 1971 and 1980, he added when launching the State Umno Convention in Kuala Terengganu.

The per capita income had increased by 55 per cent, which was more than the 50 per cent target set under the Third Malaysian Plan.

Datuk Wan Mokhtar expects the growth rate to rise further in the eighties with the implementation of several big projects, including those in the petroleum and gas and agricultural sectors.

He said Terengganu still has several problems to overcome. Many of its people are living below the poverty line and the state must strive towards equitable distribution of wealth.

Datuk Wan Mokhtar said Terengganu's manpower was under-utilised and unemployment rate was high.

The state has a weak "support sector" because its industries were newly established.

He said there was lack of investment and expertise, and the state was far from the centre of growth.

Comprehensive studies on mineral resources other than petroleum have not been carried out.

He said Mines Department statistics showed that tin was the main metal mined in Terengganu while tungsten and ferro-manganese were mined on a moderate scale.

The Menteri Besar said a new concept in developing industrial areas would be introduced. These areas would be known as industrial parks.

The concept stressed pollution control and environmental beauty.

He said 2,070 hectares has been earmarked for the State Economic Development Corporation. Up to the end of last year, 877 hectares has been sold.

Datuk Wan Mokhtar said \$35 million was allocated under the Fourth Malaysia Plan for the corporation to develop industrial sites. Sixty-three industrial projects has been approved, of which 14 are in operation. Sixteen are in construction stages while the rest are in the planning stages.

Datuk Wan Mokhtar said the state government would enforce a two-tier strategy to develop both big and small industries in the petroleum and gas and relevant sectors.

The development of small industries would help provide a firm foundation for industrial growth, he said.

The development of big industries was to overcome Terengganu's locational disadvantage and make the state a new centre of growth, he added.

■ According to another paper, oil wells off the Terengganu coast produce 125,000 barrels of crude oil a day or one-third of the country's production.

The Terengganu Umno Convention was told that the petroleum sector was therefore the stimulus that help create new industries which speeded up the state's economy.

The petroleum project was divided into two parts — the infrastructural projects and petroleum projects.

The eight infrastructural projects include a petroleum supply base, deep water port, an airport, a housing complex, a new township and water supply.

Petroleum projects include an oil refinery, a crude oil terminal, gas utility project (Phase 1), Paka electric power station, the steel mill complex and a petroleum research and training centre.

The infrastructural projects were being implemented by the State Development Corporation while water supply comes under the Public Works Department.

The Terengganu SDC was allocated \$344.1 million under the Fourth Malaysia Plan, of which \$20.6 million was given out last year for these projects.

The petroleum oil refinery built by Petronas has been completed and has the capacity to process 30,000 barrels of crude oil per day. — Bernama

CALL FOR JOINT VENTURES IN FISHERIES INDUSTRY

[Kuala Lumpur BUSINESS TIMES in English 2 Aug 83 p 2]

[Article by Khalid Jaffar]

[Text]

AGRICULTURE Minister Datuk Abdul Manan Othman yesterday suggested that the private sectors in the respective Asean countries undertake joint ventures in fisheries to develop the industry within Malaysia's offshore economic zone.

The promotion of joint ventures in the industry was essential because the development of fisheries in the offshore waters would require substantial capital outlay and expertise, he added.

Addressing the second council meeting of the Asean Chambers of Commerce and Industry (CCI) working group on food, agriculture and forests in Kuala Lumpur, Datuk Manan said the government could further assist such projects with investment incentives and tax concessions.

Expressing his confidence, the Minister said: "In view of our closeness, it does make economic sense to pool our resources to carry out common research programmes, resource surveys, management measures and investments in the regional fisheries."

Efforts to step up the sector's production was vital as the present trends in the marine fisheries indicated that the industry would not be able to meet future demands for fish.

"Marine fisheries resources within our territorial waters are currently either fully-exploited or over-exploited resulting in declining catches of food fish," Datuk Manan noted.

Though current production was quite sufficient to meet present domestic demand, a growing population in a rapidly developing economy like Asean's would demand more fish for food in the coming years.

As for Malaysia, the Minister pointed out several measures being undertaken to arrest the declining trends and to ensure a sustained supply of fish to meet domestic requirement.

These included the implementation of a sound and effective management policy to regulate fishery and exploring the possibility of developing new fisheries within the Malaysian economic zone.

He also proposed the establishment of an in-

tra-Asean programme to develop efficient handling methods to eliminate post-harvest losses. At present there is a spoilage rate of 10 to 20 per cent due to inefficient handling.

Touching on the broad problems of agricultural and fishery productivity, Datuk Manan stressed that industrialists in the region could help to improve the performance of these sectors which were principally carried out by small farmers and fishermen.

In his opinion, subsidies and transfer payment of any kind were not the solution to these problems because the number of farmers and fishermen were too many while the funds were limited.

"The best way to help these small producers is to help them help themselves," he said.

The Minister identified contract farming as a form of self-help which permitted agricultural production to be jointly undertaken by the industrialist and the small farmers.

Under the method, both parties are united by a contract in which the

small farmer will agree to produce a given quantity for the industrialist who in turn agrees to buy the output at a mutually accepted price.

The contract can be enhanced through contributions to the production process by the industrialist in the form of inputs like fertiliser, seeds, pesticides and fencing. What was vitally important in contract farming was the price of the output.

The system guaranteed a market for the producers while the industrialists were assured of supplies for their factories. Conditions could also be included in the contract for price variations.

The contract farming method would help entrepreneurs in the agro-based industries to solve the problem of irregular supply which has hindered the development of the sector in Asean countries.

The Minister stressed that, with land a limiting factor and large scale enterprise on a private basis often politically unacceptable, contract farming could be an attractive alternative.

MALAYSIA

BRIEFS

CONTRACT FOR WORKERS SOON--JAKARTA, Sun--A bilateral agreement will soon be concluded between Indonesia and Malaysia on the employment of Indonesian workers in Malaysia said an official of the Manpower Department here. Both countries had held several negotiations on the matter, said Encik Djianto, chief of the Foreign Employment Service here. He also said that the Manpower Department had set up a special task force to select Indonesian workers for employment to Malaysia and West Asia. Indonesian workers in Malaysia would be put under the supervision of the Manpower Department, he added. "We also have a labour attache in Kuala Lumpur to deal with the work contracts of Indonesian workers in Malaysia," he said. [Kuching THE BORNEO POST in English 31 Jul 83 p 2]

PETRONAS GAS TO SINGAPORE--PETRONAS is selecting the consultants and working out the route for the pipeline for the second phase of the gas utilisation project linking the west coast of Peninsular Malaysia to Singapore. Minister in the Prime Minister's Department Datuk Dr James Ongkili said the conditions for the sale of gas to Singapore, including the amount, was being negotiated between Petronas and the Singapore National Oil Company. In reply to Haji Azharul Abidin Rahim (BN-Batang Padang), Datuk Dr Ongkili said the feasibility study on the project was completed in 1982. Petronas is now implementing the first stage of the project in Terengganu which involve the building of a gas processing factory and the installation of gas pipes from the Teluk Kalong industrial site to the electrical generator in Paka. [Kuala Lumpur NEW STRAITS TIMES in English 26 Jul 83 p 5]

CSO: 4200/821

KKK INCENTIVES ORDERED

Manila PHILIPPINES DAILY EXPRESS in English 9 Aug 83 pp 1, 6

[Text]

PRESIDENT MARCOS directed yesterday his economic advisers to provide incentives to draw financial support from the private sector for the government's Kilusang Kabuhayan at Kaunlaran livelihood program.

"The private sector must be the active agent of progress while the government extends its support," the President said.

He said that harnessing money in circulation and placing it in guaranteed productive enterprises will not only check inflation but will hasten development programs through participation of citizens.

The President has directed the expansion of the KKK program less on budgetary allocations and more on internal resources through the mobilization of the private sector in finance, production and marketing, the increase of domestic and international financial capabilities and harnessing of marketing efforts here and abroad.

The President said that the government had been "trying to do everything, which it cannot do, but must call on the private sector to come in and participate."

"The general idea is to shift the burden of supporting the KKK from the government to the private sector. This is true not only with respect to the KKK. This could be done with respect to all other projects," he said.

THE PRESIDENT outlined several ways through which the private sector can help provide funding for livelihood projects:

- Buying shares in Kabuhayan (LOI No. 1306, March 19, 1983) which would transform 1.2 million hectares of idle and logged-over areas into agro-industrial estates for agronomic livestock and forestry ventures.

- Buying asset investment trust certificates (worth P500 million initially) for mobilization of acquired idle assets of private and government banks, thus reducing need for importation and saving scarce foreign exchange.

- The Apex system (with DBP as lead agency, with six private universal banks) to expand the financial base of the KKK, as bank retail outlets at grassroots level and aped into regional and national wholesale financial operations supported by a KKK guarantee system.

- KKK Guarantee Fund (LOI 1308) which is subject to a memorandum of agreement between KKK and the Central Bank, proposing the direct participation of private financial institutions in lending to small-and medium-scale industries, with an initial amount of P300 million expected to generate a P1.2-billion counterpart from private commercial banks in direct KKK lending.

- Dollar investment trust certificate - designed to mobilize foreign investment (against borrowing) via an offshore syndicated financial instrument.

In addition to these investment schemes, the expanded KKK program will have four additional components - an export management program, a multi-framework plan for socio-economic activities in the countryside, the designation of Presidential Fellows for Economic Management to plan in the provinces and the establishment of 12 KKK processing centers throughout the country.

FARM LAND LOST TO URBAN, INDUSTRIAL DEVELOPMENT

Manila PHILIPPINES DAILY EXPRESS in English 9 Aug 83 pp 1, 6

[Text]

AROUND 200,000 hectares of the country's 1.6 million hectares of prime agricultural lands has been converted into subdivisions and industrial estates since 1979.

The country now has only 1.3 million hectares of rice and corn lands as a result of the "alarming" land conversion rate.

In Central Luzon, the rate of land conversion is about 200 hectares a year, a matter of concern to local officials who want to boost farm production.

EVEN MINISTRY of Agriculture officials are worried that despite improvements in rice and corn yields brought about by high-yielding seed varieties, production will be gravely affected by the reduction of farm lands.

Conversion to non-agricultural lands is rampant in Central Luzon, Southern Tagalog, and Central Visayas.

The World Bank had earlier criticized the Philippines for allowing much of its lands to be developed

into lucrative subdivisions and industrial complexes, thus impairing efforts to increase agricultural production.

The bank recently granted \$300-million to study the implications and extent of land conversion on the overall agricultural production capability.

A COMMITTEE, headed by Acting Minister Orlando Sacay, is reviewing and drawing up straight policies on land use. It expects to submit its findings to Prime Minister Cesar Virata by November.

Virata earlier noted that the Philippines has about 13 million hectares of potential lands for agricultural production, of which about 5 million is still undeveloped.

The other eight million hectares is mostly planted to export crops such as pineapples, bananas, mangoes and cattle raising while only 1.6 million hectares is devoted to rice and corn.

CSO: 4200/812

STIFFER PENALTIES FOR ECONOMIC CRIMES URGED

Manila BULLETIN TODAY in English 9 Aug 83 pp 1, 11

[Article by C. Valmoria Jr.]

[Text] Stiffer penalties for dollar smuggling or blackmarketing were proposed in the Batasang Pambansa yesterday because of their adverse effects on the economy.

The present law enacted by Congress 35 years ago only imposes a maximum prison term of five years or ₱20,000 fine, regardless of the amount involved.

Assemblyman and Deputy Finance Minister Antonino Roman Jr. (KBL-Central Luisen), author of Parliamentary Bill No. 3708, proposed a graduated penalty of six months to 12 years imprisonment or fines ranging from ₱10,000 to ₱500,000, or both.

Roman said the penalty provided in the present law is not commensurate with the damage this illegal activity inflicts on the economy.

"There is a clear need to treat this crime more harshly," he said.

The bill provides that unless specifically authorized by the Monetary Board or allowed under present regulations or international agreements, it would be unlawful for any person, directly or indirectly through other persons, to take out of the country or engage in the traffic of foreign currency notes, coins, or checks.

In determining the period of imprisonment or amount of fine, the courts would be required to consider the amount of foreign exchange involved and the number of times the offender has been involved.

The bill also provides confiscation and forfeiture of the currencies or instruments sought to be smuggled.

Opposition Assemblyman Hilario Davide Jr. (Pusyon Bisaya-Central Visayas) also proposed to penalize the use of impounded vehicles by public officials, specially members of the military

and police forces.

Violators would suffer imprisonment ranging from six to 10 years and a fine of ₱5,000 to ₱15,000.

"The use of these vehicles is both immoral and criminal," Davide said.

He explained that the act not only makes the offender an accessory to the crime of theft or robbery, if the vehicle was stolen or carnaged, but also develops a frame of mind inconsistent with the public-trust character of the government office.

Davide said this can be interpreted that "paramount in the mind of the public official concerned would be a personal gain and advantage, not the interest of the legitimate owner unjustly deprived of his property."

"Logically, no effort will be exerted to locate the owner and if the owner shows up to claim the vehicle, there would be attempts to make the recovery difficult and even expensive," Davide said.

PHILIPPINES

WANTED PRIESTS, NUNS STILL AT LARGE

Manila BULLETIN TODAY in English 9 Aug 83 p 28

[Text]

DAVAO CITY, Aug. 8 — Six of eight priests, nuns, and lay leaders ordered arrested in Tandag, Surigao del Sur, last July 16 for alleged seditious activities are still at large.

A report received from Tandag by the 11th PC headquarters based in this city said that of the eight persons issued warrants of arrest by Judge Godofredo Castaño of the Tandag municipal trial court, only Fr. Francisco Olvia, parish priest of Hinatuan, and Hernanigildo Pimentel, Jr. were arrested.

The other accused — Fr. Don. Id Aloy, parish priest of Tagum; Fr. Francisco Navarro, parish priest of Lianga; Sisters Nicundra Lagurin and Fe Valentun, also of Lianga; Alicia Baluran, a public school teacher; and

Jose Adorable, Sr. — could not be located, the report said.

Authorities said they believed the accused have gone into hiding or may have joined the rebels in the hills.

According to the charge sheet filed by the PC command post in Tandag, the accused "uttered seditious language in several instances in Tandag and other places in Surigao del Sur."

The same charge sheet said the accused distributed printed matters during a rally in Tandag last July 4 containing articles which tended to incite the people to rebel against the government.

No bail was recommended for the accused. (RCC)

CSO: 4200/812

PHILIPPINES

MASAGANA-99 PROGRAM SET BACK BY DROUGHT

Manila PHILIPPINES DAILY EXPRESS in English 10 Aug 83 p 3

[Text] THE MASAGANA 99 program suffered a major drawback this year because of the seven-month drought that hit the country, resulting in the reduction in a hectarage planted and the number of farmers who availed of the program's loans, reports said yesterday.

Initial government reports showed that the number of farmers who availed of supervised credit decreased to 9,750 farmers from 18,190 or by 46 percent compared to the same period last year.

M-99 areas planted this year shrank to 108,850 hectares from last year's 225,130 hectares mainly because of the drought which hit the Bicol region, the Visayas and Mindanao.

Lending by the Philippine National Bank, the main government agency financing the Masagana program, also declined by 60 percent, records showed. PNB, as of June this year, lent only P8.56 million compared to last year's P21.61 million.

Rural banks' lending for the program also decreased by 19 percent, from P12.84 million for June last year to only P10.35 million as of June this year.

THE GOVERNMENT, however, said that it has enough food, of about

to last until next year's harvest.

Agriculture Minister Arturo R. Tanco, Jr. earlier reported that the drought has reduced palay production by 10 million cavans, 16 percent off target.

Tanco last May said that the country need not import rice because it has a reserve of 1.3 million metric tons of rice or 26 million cavans.

LATEST REPORTS from field offices of the Ministry of Agriculture showed that 21 provinces still have inadequate water supply.

The provinces are: Cagayan, Bataan, Pampanga, Nueva Ecija, Tarlac, Batangas, Mindoro Oriental, Quezon, Rizal, Albay, Camarines Norte, Antique, Capiz, Iloilo, Negros Occidental, Southern Leyte, Northern Samar, Zamboanga del Norte, Agusan del Norte, Misamis Occidental and South Cotabato.

CSO: 4200/812

SINGAPORE TIGHTENS RULES ON WORK PERMITS FOR FOREIGNERS

Kuala Lumpur BUSINESS TIMES in English 1 Aug 83 p 22

[Text]

THE Singapore government has tightened its rules for granting employment permits for foreigners, including professionals and skilled workers, official sources said today.

The move followed a sharp increase in employment passes granted last year and public complaints that many companies had recruited foreigners without proper qualifications, they said.

More than 8,000 employment permits were issued last year compared to an annual average of 1,000 in the previous four years, they added.

Many foreigners had already been rejected under the more stringent processing of applications for employment passes in effect for the past few months.

The employment passes are distinct from work permits which are issued for non-skilled foreign workers in the various industries.

The government also has imposed severe restrictions on work permits in an attempt to phase out all foreign labour by 1990.

The total number of foreign workers, both employment pass and work permit holders, has never been officially disclosed. But industry sources estimate that

there are about 200,000 foreigners, the bulk of them Malaysians, employed here.

Until now employment passes were more easily obtained by foreigners if they could find work in Singapore at a monthly salary of at least \$31,200.

Under the new rules foreigners would not be allowed to take white collar jobs such as those in sales and administration if they did not have acceptable tertiary qualifications, the sources said.

Graduates with no working experience must have honours degrees or qualifications comparable to doctors or dentists.

Even highly-skilled professionals in industry and construction must have several years of relevant working experience to qualify for employment passes under the new rules, the sources said.

A senior official at the Trade and Industry Ministry said that any exceptions to the new guidelines would depend on "the reputation and the quality of employers, but such exceptions will be rare."

"Employment passes will continue to be given liberally to talented and skilled foreigners who can contribute to the general upgrading of the Singapore economy," he added. — Reuter

CSO: 4200/818

SOLOMON ISLANDS

AUSTRALIAN AID POLICY 'DISAPPOINTING'

Honiara SOLOMON STAR in English 29 Jul 83 p 1

[Text] The National Planning Council has expressed grave concern and disappointment over the level of Australian Aid to Solomon Islands over the next five-year period, in particularly the aid allocations for the first three years.

In a special meeting held on Friday last week, the NPC "regretted that the Australian Government misled Solomon Islands Government by implying that sufficient funds would be available to undertake these projects scheduled for 1983/84 through their acceptance and approval of projects of amounts far in excess of the aid ADAB planned to allocate to Solomon Islands. The Council also called for an open and frank dialogue between aid donors and recipient countries."

The Secretary to the NPC, Mr. J. Roteta, said the issue had caused the Council to direct that Government policy to diversify its sources of aid would be pursued vigorously.

The Council also expressed the Government policy that "aid relations have to be strengthened through bilateral arrangements with under emphasis and shift from bilateral aid to channelling aid through multilateral agencies and regional bodies would be regretted."

Mr. Roteta said the planned level of Government activities would have to be reduced unless other aid donors could fill in the vacuum.

He said, "it is not so easy in the immediate per-

iod to find other aid donors to fill the vacuum as it takes time to develop new aid relationships."

Mr. Roteta said during his visit to Solomon Islands, the Director of ADAB, Dr. R. Dun, informed the Solomon Islands Government that the Australian Government had allocated \$30m in aid to Solomon Islands for the next five years. This was 10% of the \$300m allocated to South Pacific countries except Papua New Guinea.

The advised annual allocation is \$5.5m in 1983/84; \$5.6m in 1984/85; \$5.9m 1985/86; \$6.3m 1986/87 and 1987/88 \$6.8m.

Mr. Roteta said Solomon Islands had a disadvantageous position with aid flows in the South Pacific region.

"Papua New Guinea, he said, has unique aid arrangements with Australia. Fiji always has a large amount of Australian aid and benefits substantially from regional aid through USP and SPEC. Vanuatu has substantial assistance from France while Polynesian countries benefited from New Zealand assistance.

"The Solomon Islands position seemed to be overlooked by Australia," Mr. Roteta said.

Most of the British aid to Solomon Islands, apart from the remains of the Independence Settlement Grant is now in the form of a loan.

The Australian High Commissioner to Solomon Islands, Mr T. Sofield told Solomon Star his office had acknowledged that ADAB has approved nearly \$8 million ADAB.

"The difficulty is over-worth of projects but noted that some of these were approved in principle. He said within the memorandum of understanding signed by both Governments, there was no firm commitment on tim-

"He also noted that as a minimum level of aid, \$30 million would be provided to Solomon Islands and this of course covered much more than the cost of these projects submitted and approved by come was more on the cash flow problem in the first two years than a problem of sufficient funds", he said.

He said, "ADAB has prepared to undertake all projects approved and it looks forward to talks in Australia with the Solomon Islands delegation to assess the aid issue."

CSO: 4200/836

SECRET FUND SLASH PROPOSED

Bangkok BANGKOK POST in English 29 Jul 83 p 3

[Text]

THREE Democrat MPs have proposed a 17.3 per cent cut in the secret fund budgeted for the next fiscal year.

The three MPs, Suthai Ngernmuang of Ubon Ratchathani, Thongchart Rattanavicha and Manoj Vichaikul of Nakorn Si Thammarat, yesterday submitted the proposal to the Budget Scrutiny Committee.

It calls for a total cut of 173 million baht from the 1,004.8 million baht secret fund set aside in the Central Fund and in the appropriations for the Defence Secretariat, the Supreme Command, the Army, Navy and Air Force.

According to the Budget Bill which passed its first reading in Parliament on June 29, the secret fund slotted in the Central Fund amounted to 187.8-million baht. Appropriations for covert activities in the Defence Secretariat, the Supreme Command, Army, Navy

and Air Force amounted to 8, 75.2, 614.8, 111 and 8 million baht respectively.

The three pro-government MPs gave no reasons for the proposal, but they are expected to explain their move when Parliament resumes next month to debate the Budget Bill in its second and final readings.

Apart from the secret fund, the three MPs also called for the 1,293.6 million baht expenditure for maintenance of national security and the 1,482 million baht emergency reserve fund in the Central Fund to be slashed by 300 and 400 million baht respectively.

Further cuts were also proposed for hardware appropriations and other expenditure for various ministries and departments.

CSO: 4200/810

MORE POWERS SOUGHT FOR ANTI-GRAFT BODY

Bangkok THE NATION REVIEW in English 4 Aug 83 pp 1, 3

[Text]

THE ADVISORY board of the prime minister is considering proposals to grant more powers to the Counter Corruption Commission (CCC) to boost its authority to stamp out corrupt practices in officialdom, according to CCC chairman, Prof Kamthorn Pandhularp.

He told *The Nation* in an exclusive interview yesterday that the new powers, including the rights to impound, seize and check documents of persons who refuse to hand them over within the specified period of time, are written in the bill which is expected to be debated in the next session of the House of Representatives.

The amendments to the law also give the rights to the CCC to seek a review of the decision made against an official investigated by the CCC by the person's direct supervisor.

"Under the amendment, the supervisor of the official who has been investigated by the CCC is required to report the outcome of the review of the punitive measure within 15 days. If the CCC still disagrees with the measure, the CCC chairman would

then be empowered to submit the issue to the prime minister for a new ruling," CCC Secretary General Tavorn Poonthong explained.

Another point of amendment to give more "teeth" to the CCC is to consider the outcome of the first round of investigation as part of the disciplinary investigation that might be carried out by the agency to which a suspect is attached.

"This is to speed up the process so that the government agency concerned need not carry out another preliminary probe," he said.

Several other minor points of amendment have also been included in the proposed changes. Government agencies, for example, will be asked to submit clarification to the CCC within 60 days after

the request is submitted.

"We have also proposed investigation methods to make them more efficient," the CCC senior official said.

Minister attached to the Prime Minister's Office Meechai Ruchupan had earlier said that the CCC law would be improved to plug the loopholes in the investigation system.

He said that under the current system, CCC officials could summon a certain person for questioning without declaring in advance the charges involved.

"The new system would prevent any possible unfair treatment," he said.

Another point of ambiguity which will change, according to Minister Meechai, is the request to the Cabinet to suspend the

service of a certain government official under investigation on certain charges. "But it is not clear what the subsequent action is. That has made many senior officials at various government agencies reluctant to recruit new officials," the minister said.

CCC Secretary General Tavorn said that the CCC's proposed changes would only increase its powers on one score — the rights to confiscate documents of a person under investi-

gation.

"The motive behind the proposal for changes in other fields is to tighten up the operations," he said.

GAS TANKS

around 5.50 pm.

Police said the warehouse and four adjacent shophouses were gutted by the fire during which a series of explosions from LPG cylinders were heard.

Eyewitnesses said they spotted the first cylinder blown up from the warehouse

CSO: 4200/811

THAILAND

NEW AVIATION PACT SIGNED WITH PHILIPPINES

Bangkok THE NATION REVIEW in English 3 Aug 83 p 28

[Text] THAILAND and the Philippines have amended their bilateral aviation agreement following several rounds of negotiations in Manila and Pattaya last week. Under the change, the national flag carriers of the two countries can increase the capacity of their aircrafts and new stopovers.

Communications Ministry's Permanent Secretary M.L. Jeongian Kambhu said yesterday that the agreement was reached last week after talks at Royal Cliff Beach Hotel in Pattaya.

Jeongian headed the Thai team while the Philippine delegation was headed by Mr L.H. Tiansay. He said the change would allow Thai International to change the type of aircraft from DC-8 to DC-10 on Bangkok-Manila flights and to other countries except for Japan. By this, THAI can operate three weekly flights.

THAI can still use DC-10 on Bangkok-Manila-Japan route up to six flights. M.L. Jeongian said THAI can also combine the three flights with the six flights on Bangkok-Manila-Japan flights as well.

At the same time, Philippine Airlines can operate six flights a week by using DC-10 aircraft on Manila-Bangkok-Europe route and three flights of DC-10 on Manila-Bangkok and non-European city.

M.L. Jeongian said the Philippine Airlines can also combine the two categories of flights together similar to the one it allows THAI to operate.

In increasing the number of stopover, Thailand allows Philippine Airlines to stop over at Bangkok before continuing its flight to Paris. At the same time, the Philippines allows THAI to stop over at Manila before flying to Australia, M.L. Jeongian said.

The failure in their previous negotiations concerned disagreement over the stopover of THAI flight to Australia and Philippine Airlines flight to Paris, he said.

M.L. Jeongian also disclosed that he would join Prime Minister Prem Tinsulanonda during his visit to Nepal, Pakistan and Bangladesh because Thailand will hold aviation talks with Bangladesh and Pakistan.

CSO: 4200/811

MEECHAI FIRM ON ASSET DECLARATION PROPOSAL

Bangkok BANGKOK POST in English 30 Jul 83 p 3

[Text] **MINISTER** of the Prime Minister's Office Meechai Ruchuphan yesterday spoke out against a proposal, allegedly made by the Permanent Secretary of Defence, that only five top military officers should be required to declare their assets.

His expressed opposition came in the wake of local newspaper reports that Gen Tuanthong Suwannathat had proposed to Prime Minister Prem Tinsulanonda that only five top military officers should be asked to declare their assets, rather than 160 senior generals as earlier proposed by the Commission to Counter Corruption (CCC).

Speaking to reporters after leading senior CCC members to a meeting with Gen Prem at Government House, Mr Meechai argued that since civil officials from the position of director-general upward would be required to declare their assets, military officers who hold equivalent positions should also be asked to do so.

However, Gen Tuanthong said yesterday morning that he had neither submitted any such proposal to the Prime Minister nor given an interview on the issue.

He explained that he only told newsmen off the record that he had discussed the matter with Deputy Defence Minister ACM Paniang Karntarat about the work load and security implications

which would inevitably result if a large number of military officers were required to declare their assets.

PRINCIPLE

Gen Tuanthong said that, in principle, he himself agreed that military officials should also declare their assets.

Meanwhile, Armed Forces Supreme Commander Gen Saiyud Keriphol said yesterday that once the Cabinet reaches its decision on the declaration of assets by high-ranking officials, all military officers should comply with the order as "it is an officer's duty to follow an order from his superior."

Asked if the recent joint US-Thai "Cobra Gold '83" military exercise could be interpreted as a prelude to the return of US troops to Thailand, Gen Saiyud said that it was just a "normal" military exercises.

He added that Thai troops would gain more military experience which would help them to improve themselves from such joint exercises.

KUKRIT WANTS PRESS DECREE RETAINED

Bangkok BANGKOK POST in English 30 Jul 83 p 1

[Text]

SOCIAL "Action" Party leader M.R. Kukrit Pramoj said yesterday he opposed the lifting of Revolutionary Decree No. 42 because it "will provide an opportunity for the Press to abuse its freedom by bullying people."

Giving a speech on the role of students in politics at Bangkok College yesterday, the former prime minister and newspaper columnist said he felt most of the newspapers in this country were bad and substandard.

"If 70 fish in a basket are rotten, the rest will rot too," he said, referring to the performance of the Press.

He expressed concern that abrogation of the decree, which has been criticised by the Press as an obstacle to press freedom, would give the Press a freer hand to abuse its freedom in slandering and bullying the people it dislikes.

A bill initiated by Chart Thai Party MP Thawee Kraikupt, seeking a revocation of the decree, was submitted to the House of Representa-

tives recently.

Turning to the main topic of his speech, the SAP leader said students should not make use of their student status to get themselves involved too much in politics.

They should behave like ordinary people and follow democratic rules, while at the same time keeping abreast with the changing economic, social and political situation, M.R. Kukrit suggested, adding that students should exercise their voting rights as well.

He noted that the mass escape to the jungles by hundreds of students immediately after the bloody October 6 riot in 1976 was the result of their over-interference in national affairs, which consequently turned the public, which used to support the students, against them.

Touching on the outlawed Communist Party of Thailand, he said that he believed the CPT's collapse was attributable to students who joined the communist ranks and subsequently engaged in

ideological conflict with veteran party members, then became disillusioned and finally left the CPT.

On democratic rule and how to preserve it, he said the Government must realise the importance of the military and allow it to play a role in politics in order to thwart coup attempts.

Asked why he did not assume the prime ministership as his party commanded the largest number of seats in the House, he explained that if he were to become prime minister, his government would not be stable because his party had no absolute majority in Parliament.

Asked about the role of Army Commander-in-Chief Gen. Arthit Kamlang-ek, he said jokingly that the public had always been under the impression that the general was the person whose support has kept Prime Minister Prem Tinsulanonda in power.

Actually, M.R. Kukrit himself was the one who gave the Prime Minister his support and guidance, the SAP leader said.

CSO: 4200/810

DUAL POSTS FOR MILITARY UNWISE, SAYS KRIANGSAK

Bangkok BANGKOK POST in English 31 Jul 83 p 1

[Text]

FORMER prime minister Gen Kriangsak Chomnan yesterday expressed opposition to the system of allowing military officers to hold dual posts, saying that the responsibility was too much for one person.

Gen Kriangsak's comment comes in the wake of several reports referring to the expected appointment of Army chief Gen Arthit Kamlang-ek as Supreme Commander when the armed services go through the annual retirement procedure at the end of September.

According to the previous system, the officer appointed as supreme commander has to relinquish his service command. However, a new system was adopted last year which makes the com-

manders of the three armed forces deputy supreme commanders with the most senior of them becoming supreme commander.

"I have always opposed this system," said Gen Kriangsak, a one-time supreme commander.

"I used to hold only one post and the responsibility was more than enough for one person," he added.

Gen Kriangsak also said that appointments should be based on ability and responsibility, not personality.

With seniority the criterion, Army chief Gen Arthit Kamlang-ek should become supreme commander when Gen Saivud retires at the end of September.

CSO: 4200/810

PICHITR SUPPORTS DUAL ROLES

Bangkok THE NATION REVIEW in English 1 Aug 83 p 1]

[Text] FIRST Army Division Commander Maj Gen Pichitr Kullavamya assured yesterday that Gen Arthit Kamlang-ek would have the capability to assume dual roles as army commander-in-chief and supreme commander after the upcoming military reshuffle in October.

He stood firm that the present system which entitles the seniormost C-in-C in the armed forces to concurrently take office as supreme commander should remain unchanged.

The system has been imposed since last year by Supreme Commander Gen Sayud Kerdphol who is due to retire this October.

Under the system, the two other commanders-in-chief will automatically become deputy supreme commanders.

Maj Gen Pichitr said such a system would bring about unity in the line of command in the three armed forces.

After all, the appointment of the army C-in-C to a concurrent post of supreme commander is not new, he said.

He dismissed concern that Gen Arthit would be overloaded with work when he holds the dual posts. "I don't think such a problem will arise because a commander-in-chief is working at the policy making level," he said.

He said that the new post at the Supreme Command should not add heavy burden to Gen Arthit who has proved his competence as army C-in-C.

Maj Gen Pichitr declined to comment when asked whether there was a move to bring back the old system which requires a supreme commander to leave his post at a branch of the armed forces.

However, he said: "It is not correct to politicize the issue. If high-ranking officials deem it appropriate,

there should be no objection. Soldiers must abide by order."

He said Gen Arthit would be the right man for the dual posts because "most army officials have confidence in his leadership."

"It does not make sense to put the clock back," said the First Army Division commander who added that a reversal of the system would mean inconsistency in practice.

Maj Gen Pichitr's comment came hot on the heels of suggestion by certain retired and incumbent military officers including former supreme commander Gen Kriangsak Chomnan and Navy Commander-in-Chief Adm Somboon Chuapiboon, that the new system should be scrapped. Adm Somboon is concurrently deputy supreme commander and the second seniormost of all the three commanders-in-chief.

CSO: 4200/811

PREM SPEAKS OUT ON DUAL POSTS QUESTION

Bangkok BANGKOK POST in English 2 Aug 83 p 1

[Text]

TWO more generals voiced support for Army Commander-in-Chief Gen Arthit Kanlaengsa in the "dual posts" controversy yesterday as Prime Minister Prem Tinsulanonda announced openly for the first time that he would let the established regulation prevail in the issue.

"There should not be any question on the matter. There is an established regulation on that," Gen Prem told reporters at Government House.

Earlier, First Army Region Commander Lt-Gen Pat Urailek and his Chief-of-Staff Maj-Gen Wanchai Ruangtrakul voiced open support for Gen Arthit to hold the additional post of supreme commander.

SUITABLE

"After one year as Army chief, Gen Arthit will be the most suitable person to hold the two posts (of Army C-in-C and Supreme Commander), Lt-Gen Pat said at a press conference.

At the same conference Maj-Gen Wanchai added: "I've never seen any Army chief who has devoted himself to his work like Gen Arthit."

Supreme Commander Gen Saiyud Kerdphol, meanwhile, expressed

disapproval of speculation on the upcoming annual military shakeup and shared Gen Prem's view that any future appointment of a supreme commander must go by the current regulation.

He said the Defence Ministry has a regulation governing the appointment of a supreme commander. "People should not criticize or speculate too much on it," Gen Saiyud said. "Lower-ranking military officers, in particular, should not make any comment on the matter," he said without pinpointing any person.

He said he had not made any recommendation on who should become the next supreme commander.

"I cannot talk about this because it is an internal affair. I will speak only when it's time for the public to be informed about it," he said.

He said the military wished to see order and stability in the country.

Lt-Gen Pat said he believed the military chain of command would be better with Gen Arthit holding both posts.

"This won't be the first time Thailand will have one military officer in charge of two top military posts at the same time. Field Marshals Sarit Thanarat and Thansom Kittikachorn also held the two posts," he said.

TOUCHER STANDARDS FOR SENIOR RURAL POLICE POSTS

Bangkok BANGKOK POST in English 3 Aug 83 p 2

[Text]

NOMINEES for senior police posts upcountry will have to undergo a tougher selection process in the future, Police Director-General Gen Narong Mahasund declared yesterday.

Gen Narong made his statement after his meeting with senior administrative police officers to establish guidelines for the appointment of police inspectors and superintendents.

The police chief said

that in the future only those who have proved themselves to be competent and devoted officers would be assigned to senior posts in provincial areas.

He added that they must possess not only an ability to coordinate development work with other government agencies, but also good human relationship which would help them to get along well with the people in their provinces.

CSO: 4200/810

ISOC DEFENDS LAND-GRANT POLICY

Bangkok THE NATION REVIEW in English 2 Aug 83 p 6

[Text] THE Internal Security Operations Command (ISOC) yesterday came out in defence of its policy to grant land to communist defectors which has come attack from a House standing committee.

The House standing committee on military affairs last week criticized the policy by saying that it would only lead people to think that they must go into the jungle first before being entitled to land.

Maj Gen Laporn Siripalak, chief of the Psychological Operation Centre of ISOC, told a news conference yesterday that ISOC had adopted certain strict principles to ensure that only defectors who are proven to be destitute and have no relatives will be granted land for cultivation.

Maj Gen Laporn also said that ordinary destitute villagers are also entitled to apply for vacant land. He said such applications can be made with the Public Welfare Department.

"So far there has been no problem in the allocation of land for the defec-

tors," he said.

But he said that ordinary villagers who want the same privilege have been felling trees in protected forests in order to demand land for themselves.

Some of the villagers were supported by well-to-do people to encroach on protected forests as a bargaining chip for the purpose, he said.

The government has offered free land as an incentive for communist insurgents to surrender.

Chairman of the House standing committee on military affairs Lt Col Sanan Khachornprasart was quoted by a Thai language paper as questioning the policy of ISOC.

He reportedly said that the communist defectors might have certain privileges over ordinary villagers under the policy.

"... Wouldn't all the people have to go into the jungle first before they are entitled to 20 rai of land each?" he asked.

CSO: 4200/811

ISOC LECTURERS DISAGREE ON COURSES

Bangkok BANGKOK POST in English 3 Aug 83 p 3

[Text]

DEPUTY Defence Minister ACM Panisang Karnarat yesterday confirmed a reported split among Internal Security Operations Command lecturers over the education curriculum and text books for students in communist suppression courses.

The differences of opinion may affect the training courses on national security and communist suppression ISOC regularly offers to government officials and other groups.

ACM Panisang said the argument centred on the writing of texts and some curriculum of the courses.

ISOC Spokesman Col Vichian Suntharathai said the clash stemmed from a plan by some progressive instructors to re-

view the curriculum in order to update teaching guidelines.

He said the problem was not serious because although the instructors' teaching methods or texts might be different, they still shared the same goal of overcoming the communists as outlined in Government Order 66/23.

According to Col Vichian, there are more than 1,000 ISOC instructors all over the country and about 30 per cent of them teach at the headquarters.

He added that the five main subjects being taught are politics, economics, social psychology, military affairs and strategy on overcoming communist insurgents.

ACM Panisang said the

Defence Ministry was not directly responsible for the matter and he believed that ISOC would be able to sort out the differences.

He also said that he believed this year's military reshuffle would be carried out smoothly and in accordance with regulations.

He said the three armed forces would prepare lists of officers due to be promoted this year and submit them to the Defence Ministry for consideration. A Royal Command would be issued to put the reshuffle into effect, he said.

ACM Panisang said he believed the military reshuffle would be announced before the end of next month and come into effect on October 1.

CSO: 4200/810

ARMED ACTIVITIES DECLINE IN SOUTH

Bangkok THE NATION REVIEW in English 2 Aug 83 p 6

[Text]

NARATHIWAT -

The armed activities of both the communist guerrillas and Muslim terrorists have greatly declined because of continued military pressure from the government, a senior army official said.

Capt. (RN) Saeng Didaengsa, commander of the Third Infantry Regiment, said since January this year no clashes were reported between guerrillas of the Communist Party of Malaya (CPM) and marines of the regiment.

He said the CPM guerrillas had made no military initiatives since their strongholds were overrun by the Fourth Army Region

last year.

No major armed activities by Muslim terrorists were reported, he said and added that local people have also given good cooperation to authorities in reporting on the movements of the insurgents.

The Third Infantry Regiment, located at Chulabhorn Camp here, is a unit of the Royal Thai Navy which has been working with the Civilian-Police-Military 43 of the Fourth Army Region. It is responsible for areas in four districts and one sub-district which were once under the influence of guerrillas of the so-called Regiment 10 of the CPM.

CSO: 4200/811

THAI POLICE SEEK ISRAELI URBAN ANTI-RIOT TRAINING

Bangkok. THE NATION REVIEW in English 1 Aug 83 pp 1, 2

[Text]

THE SPECIAL Operations Police Command has sought assistance from the Israeli Government to train special anti-riot teams here against urban terrorism, according to a senior police officer.

Police Maj Gen Vet Petchbarom, head of the Police Special Operations and Patrol Command, told *The Nation* that the Israeli Government had agreed in principle to send a team of anti-riot experts to offer training for Thailand in September this year.

The police officer said over the weekend that the training will be given to members of both the 191 and 123 emergency units respectively operated by the Police Department and the Capital Security Command.

"The special Israeli anti-terrorist experts will provide both theoretical and field training lessons to our people," he said.

Police Maj Gen Vet said that about 50 anti-riot and anti-sniper personnel will take part in the training. About 15 sharpshooters usually engaged in urban operations against terrorism will also be taking part in the training. "Apart from that, some members

from the 123 emergency unit will also be taking part," he said.

The training will cover a wide range of activities against urban terrorism, including sabotages, hijacking, hostage-taking and other forms of illegal activities in the urban areas.

The police officer said that the need for training against urban terrorism had increased now that the communist insurgents in the jungle had been crushed.

"Their jungle defeat might force them to shift their tactics towards urban terrorism. We can't be complacent about it. That's why we have to do everything possible to guard against any form of activities which might affect our security," he said.

Israel will also send some bomb experts with the training team in this connection, he said.

"This is because

there seems to be a rash of bombs being planted in urban areas lately and we have to guard against that kind of threats as well," he added.

Police Maj Gen Vet said the training session is expected to last a total of six weeks. "Or it could be a cram course of three weeks, depending on the budget to be made available to us by the Police Department," he said.

He said that most members of the anti-riot and SWAT sharp-shooting team had been trained in their respective tasks. "But they will get the refresher course and more intense training," he said.

The police officer said that members of the police 191 emergency unit are being trained along the line of the United States Federal Bureau of Investigations (FBI).

Police Maj Gen Vet said that he had initially made the approach for training from Israel through the Israeli Embassy in Bangkok.

"Initially, my proposal was to send our 191 members to be trained in Israel. But in the end, after some consultation, they agreed to send their experts here for training," he said.

CSO: 4200/811

THAILAND

CASSAVA-BASED ALCOHOL POWER PLANT OPENED

Bangkok BANGKOK POST in English 2 Aug 83 p 15

[Text]

THAILAND'S first cassava-based power alcohol plant, built under a cooperation programme between the Thai and Japanese governments to explore the commercial usage of this fuel, was officially opened by Deputy Prime Minister Bhichai Rattakul yesterday.

Situated in the Thailand Institute of Scientific and Technological Research compound in Bang Khen, this 1,500-litre-a-day distillery cost 65 million baht. Construction began in April 1981.

Of the total construction cost, 47 million baht came from a grant provided by the Japanese Government and the Japanese Association of Industrial Fermentation for the purchase of machinery and equipment plus the expenses of specialist teams, while the remaining 18 million baht came from the Thai Government.

In his opening address, Mr Bhichai said the project will motivate the establishment of power alcohol production from cassava to meet a projected production capacity of 35 million litres

a year during the Fifth Five Year Plan now being implemented.

SUPPORT

This project has been supported by the Government in consideration of the significant role it could play in increasing production efficiency through the use of innovative technology, he added.

Reasons for the construction of this pilot plant stemmed from the severe oil crisis due to rocketing prices of imported oil in the past, which affected the Thai economy, said Minister of Science, Technology and Energy Damrong La-thepipat in his report to Mr Bhichai.

Even though the oil crisis has been relieved, the occurrence of such a situation in the future cannot be predicted, he said, adding that the cassava project will not only serve the purpose of reducing the country's dependence on imported oil, but also provide another type of energy which can help lessen pollution caused by toxic lead content in gasoline-powered engines.

CSO: 4200/810

PTT TO SIGN OIL DEAL WITH CHINA

Bangkok BANGKOK POST in English 1 Aug 83 p 15

[Text]

TOP executives of the Petroleum Authority of Thailand (PTT) left for Peking Saturday to sign a contract with China for the supply of 200,000 tons (about 1.47 million barrels) of Shengli crude and high speed diesel oil.

The six-man Thai mission, who will finalise the purchase accord with the PTT's counterpart, Chinese oil organisation, the China National Chemicals Import and Export Corp, is headed by PTT chairman Dr Chaovana na Sivanta, who is also the Privy Councillor.

Dr Chaovana is accompanied by PTT Governor Dr Tongchai Hongladarom and four other executives on the 10-day visit.

The purchase of the two types of oil, 100,000 tons each, is the total volume of oil PTT is importing from China this year, according to an informed PTT source.

Half of the 100,000

tons of Shengli has already been shipped to Thailand and the remaining 80,000 tons are scheduled to be delivered this month.

One of the six monthly shipments of high speed diesel oil has also been sent to the PTT. The diesel oil, amounting to 17,000-18,000 tons per shipment, is scheduled to be delivered here on a monthly basis until December.

The import of Shengli is earmarked for power generation purpose by the Electricity Generating Authority of Thailand, while the high speed diesel oil will be for public consumption.

The oil is purchased on

a government-to-government basis. Prices and terms are not disclosed.

China has become a regular supplier of oil to Thailand in recent years following the normalisation of diplomatic relations in 1976.

Thailand used to import up to 600,000 tons of Shengli, 200,000 tons of high speed diesel plus 60,000 tons of jet fuel annually from China.

Since then imports have been gradually cut because of the substitution of natural gas from the Gulf of Thailand and the oil glut worldwide.

The other traditional sources are Saudi Arabia, Indonesia and Malaysia.

CSO: 4200/810

YONTRAKIT PLANS TO MAKE ALL-THAI CAR

Bangkok BANGKOK POST in English 1 Aug 83 p 1

[Text] **THE Yontrakit group has applied for promotional privileges to invest about 2,000 million baht in setting up a plant to manufacture both sedans and commercial vehicles using only locally produced components.**

According to an informed source in the Board of Investment, this application was raised at the last BoI meeting and resulted in the BoI setting up a special sub-committee to determine the viability of the project.

The sub-committee, which is chaired by BoI Deputy Secretary General Chira Phanupong, includes experts from the Industry Ministry and academic circles.

It is to complete its study within three months with the recommendations it makes to be used by the BoI to determine whether or not promotional privileges are to be given to the project.

This is the first time ever that an application has been made to produce "all-Thai" cars and commercial vehicles here as opposed to just assembling them.

The application submitted by the Yontrakit group calls for the production of between 10,000 to 16,000 sedans and commercial vehicles a year.

The company informed the BoI that BMW, Citroen, Peugeot and

Lancia had agreed to provide support and technology for the project, the source said.

Yontrakit, at present, assembles about 600 units a month of these four makers of cars at its assembly plant in Hua Mark.

The group also informed the BoI that the sedans and commercial vehicles to be produced will incorporate 100% local contents.

While some of the component parts will be produced "in house", a large amount will be sub-contracted out to other manufacturers in the country, the company said.

The proposal, at the moment, is to expand and convert the company's assembly plant at Hua Mark into a production plant.

The source said the company expressed confidence that it would be able to produce high quality sedans and commercial vehicles "at a price which will not be significantly different from the price of the currently assembled vehicles."

This project, the company said, will not only mean the introduction

of new technology into the country, but will also mean a savings in foreign exchange and the creation of employment opportunities.

The company's application, which was described by the BoI source as being "an application in principle," did not specify the models to be produced here.

"What the company wants to know now is whether or not promotional privileges will be granted to the project," he said, adding that if the BoI does agree to extend privileges, then it will be time for the company to submit a more detailed application.

The source noted that certain members of the BoI had expressed reservations as to whether locally produced engines would be of the same quality as the imported engines.

They also feared that the unit cost of producing a high quality car here would be significantly in excess of current prices, making it difficult for the company to be able to maintain prices as it said it could.

CSO: 4200/810

THAILAND

BURMA HOLDS 500 FISHERMEN

Bangkok BANGKOK POST in English 29 Jul 83 p 3

[Text]

ABOUT 500 Thai fishermen are being detained in squalid jail conditions in Burma on charges of violating Burmese territorial waters, the president of the Thai Fisheries Association claimed yesterday.

Jea Kokphol, who returned from Rangoon on Wednesday after studying the conditions of Thai fishermen in Burmese jails, said 300 other Thais have been arrested on charges of illegal entry, most of them wood cutters.

have seized 20 Thai trawlers worth 50 million baht and these are now the property of Burmese fishing cooperatives, he said.

Mr Jea said most of the jailed fishermen were suffering from serious skin diseases and were fed meagre meals.

According to the Fisheries Department about 300 other Thai fishermen have been arrested on charges of violating territorial waters of Vietnam, Kampuchea, Bangladesh, Indonesia and Thailand.

CSO: 4200/810

NEW GAS RESERVE ESTIMATE 61 PERCENT DOWN

Bangkok THE NATION REVIEW in English 1 Aug 83 p 1

[Excerpt]

IN WHAT appears to be a major setback for the Petroleum Authority of Thailand, US-based DeGolyer & MacNaughton (D & M) has submitted its redetermination report to the state enterprise, saying that the recoverable reserve of natural gas in the Erawan Field of Union Oil Company of Thailand now stands at only 0.62 trillion cubic feet.

The quantity represents a drop by 61 per cent from 1.58 trillion cubic feet estimated by D & M a few years ago before Union Oil began commercial production in the field in the Gulf of Thailand.

The redetermination report, which reached the PTT and Union Oil last week, followed Union Oil's report earlier that it would not be able to produce as much as 1.58 trillion cubic feet as planned.

Authoritative sources told *The Nation* that the redetermination report would immensely affect the PTT and the country which needs natural gas for the multi-million baht industrial development on the Eastern Seaboard.

The PTT early this month expressed high hopes that the "gas in place" in the Erawan Field would be around one trillion cubic feet when Union Oil managed to boost its daily supply from 110 million cubic feet (MMSCFD) to 160 MMSCFD.

The state enterprise also believes that if the rate could be maintained, it would indicate that the field contains higher proven reserve than the previous low estimate.

The sources said D & M Chairman W.G. Nancarrow will be here on August 15 to make a presentation of the redetermination report to the PTT and talk to Union Oil which decided last year to hire the US petroleum specialist for a new estimate.

BRIEFS

PRAPAT NEW NAVY COMMANDER--DEPUTY Navy Commander-in-Chief Adm Prapat Chanvirat will become the new commander-in-chief in the annual military reshuffle in September, Navy Commander-in-Chief Adm Somboon Chuapibul said yesterday. He said the navy had already completed its reshuffle and the list is in the hands of the Supreme Command. He said the reshuffle was based on the principle of seniority and suitability. Adm Prapat, 59, was the only name he proposed as the next navy commander-in-chief. "I always say that the navy gives priority to seniority," he said. Commenting on the prospects of Army Commander-in-Chief Gen Arthit Kamlangk's holding dual posts after the reshuffle, Adm Somboon said: "I don't think persons who have dual posts would be able to work efficiently." He said there is a lot of work to be done both in the army and the Supreme Command. Deputy Director General of the Supreme Command's Information Office Maj Gen Sampao Srikacha said last week that Gen Arthit will take over the post of the supreme commander in October. [Bangkok THE NATION REVIEW in English 29 Jul 83 p 8]

MARINES TANK BATTALION--THE Royal Thai Navy's Marine Department plans to set up a marine tank battalion in an attempt to boost the efficiency of marine operation, its commander Vice Adm Yuthaya Cherdbumuang said yesterday. He said the capability of the new battalion will be similar to certain units in the army. "We will try to have the new battalion as soon as possible. Proposal for the project has been submitted and the delay may be because of insufficient budget," he said. He said the marine tank battalion will be a major force for marine operation on land. "Nowadays our operation on land solely depends on the personnel operation which is equipped with amphibians," he said. [Bangkok THE NATION REVIEW in English 1 Aug 83 p 3]

CSO: 4200/811

INTERNATIONAL RELATIONS, TRADE AND AID

SRV AMITY GROUPS CONDEMN S. AFRICAN MOVES IN ANGOLA

OW192032 Hanoi VNA in English 1735 GMT 19 Aug 83

[Text] Hanoi, VNA, 19 August—The entire Vietnamese people are very [words indistinct] the news that the South African apartheid authorities on 14 August 1983 sent many planes to completely destroy the south Angolan town of Canganga and are mustering more than 10,000 troops for a large-scale attack on northern Angola.

This was stated in a message jointly sent by Vietnam's committee for solidarity and friendship with other peoples, committee for solidarity with Afro-Asian peoples and peace committee, to the Angolan League for Solidarity and Friendship with Nations.

The message says:

"These are new criminal acts of the South African authorities aided and abetted by the imperialist forces aimed at opposing the independence, sovereignty and territorial integrity of Angola, and at conquering the whole of Angola. These acts have caused an extremely serious situation, trample on international laws and blatantly challenge the African peoples and progressive public opinion in the world.

"Together with other peace and justice-loving peoples in the world, the Vietnamese people strongly condemn those schemes and crimes of the South African authorities, and demand that they stop immediately all these criminal acts and unconditionally withdraw all South African aggressor troops from the Angolan territories they have illegally occupied.

"The Vietnamese people warmly welcome the great successes recorded by the Angolan Army in smashing the units counter-revolutionaries attacks on Cangama inerate their full support for and militant solidarity with the fraternal Angolan people in their national construction and defence. [Sentence as received]

"We firmly believe that the Angolan people, closely uniting around the MPLA-party of labour and with the sympathy and support of the world people, will defeat all schemes and acts of aggression of the South African authorities and firmly defend their revolutionary achievements."

CSO: 4200/842

PARTY ACTIVITIES AND GOVERNMENT

YOUTH UNION HOLDS CONFERENCE ON IDEOLOGICAL TASK

OW230237 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Aug 83

[Text] The Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee recently held its sixth conference in Hanoi to discuss the ideological task for the forthcoming period.

Comrade Le Quang Dao, party Central Committee secretary, and Comrade Tran Quoc Hoan, member of the party Central Committee and head of the Proselytizing and Front Department of the party Central Committee, attended the conference and had cordial talks with the conferees.

Comrade Le Quang Dao talked about the basic features of the fourth party Central Committee plenum resolution. He particularly stressed the youth union's role on the implementation of the ideological and organizational tasks set out in the party Central Committee's resolutions.

Assessing the youth's ideological status and the youth union's organizational task since the complete liberation of the south, the conference unanimously asserted and cited the role of the youth in developing the patriotic tradition of revolutionary heroism; in continuing to promote their revolutionary nature, their endurance, and their spirit of overcoming difficulties and hardships; in making worthy contributions to nation building and national defense; and in studying and training to become new socialist men.

Along with profoundly reviewing and analyzing the objective and subjective causes affecting the youth union's ideological task, the characteristics of the age group as well as its negative manifestations in its ethics and life style spawning a segment of backward youths, the resolution of the youth union Central Committee pointed out: In the present situation, our youth lives in peace, while also having to cope with a multifaceted war of sabotage waged by the Chinese expansionists, who collude with the U.S. imperialists and other reactionary forces in opposing our country. The struggle between the two paths is being waged fiercely in all fields, localities, sectors and production installations. In view of such a situation, the HCMCYU Central Committee conference exchanged views and unanimously issued a resolution on the youth union's ideological task in order to strengthen and enhance the efficiency of the ideological task and to contribute to motivating the country's youths to carry out outstandingly the two strategic tasks laid down by the Fifth National Party Congress and carry out the Fourth Party Central Committee plenum resolution, while continuing to promote their militancy; to build up, consolidate, and make the youth union's organizations strong and stable; and to counter all negative and unhealthy manifestations among youth.

The major contents of the resolution of the Sixth HCMCYU Central Committee conference deal with the strengthening and improvement of the educational, political and ideological tasks for the youths and young pioneers in order to enhance their knowledge of Marxism and Leninism and the party's and state's lines and policies, as well as the youth union's policies, tasks and resolutions. This is designed to make the youth clearly understand the reactionary nature of the Beijing expansionist-hegemonists, who collude with the U.S. imperialists and other reactionary forces, and to make them uphold their revolutionary vigilance and defeat all the enemies' schemes for multifaceted sabotage. This is also designed to educate the youth on the struggle between the two paths, to forge youths through realities, to continue to educate them on revolutionary traditions and ethics and the socialist life style, in order to bring about marked changes for the better in the life style of youths and young pioneers in every specific aspect, such as the building of a life style in labor, social and family relations and a civilized, simple and healthy individual life pattern. The HCMCYU also concerns itself with, and has measures for educating, backwards youths to help turn them into useful citizens.

The resolution of the Sixth HCMCYU Central Committee Conference has also set out key measures for directing the implementation of the youth union's ideological tasks for the forthcoming period, through the use of lively and practical means such as the opening of training and fostering classes and schools, youth club activities, assorted seminars and symposia, the building and promotion of advanced models, continued acceleration of the improvement and further clarification of the form and objectives of the "drive to follow in the footsteps of heroes," the conduct, within the youth union, of an ideological drive, "I am a member of the Communist Youth Union," building and stepping up healthy literature, arts, sports and physical education activities, and the implementation of the drive to build up a socialist life style among the youths and young pioneers.

Regarding the task of organizing the implementation of the resolution, it was decided to assist all HCMCYU echelons from the central to the grassroots level with the responsibilities of mapping out plans for developing and implementing the resolution in close connection with the HCMCYU's five programs of revolutionary action; increasing the number of guiding of material bases in the service of ideological tasks; striving to perfect their organizations and consolidate their apparatuses; conducting surveys on the quality and capability and, step-by-step, planning the force of cadres in charge of the youth union's ideological tasks; reporting on their work to party committee and administrative echelons; and coordinating with the responsible sectors to help the HCMCYU unceasingly enhance the quality and efficiency of its ideological tasks.

CSO: 4209/507

ECONOMIC PLANNING, TRADE AND FINANCE

'NOMAD-SETTLING' WORK OVER LAST 6 MONTHS VIEWED

BK181020 Hanoi QUAN DOI NHAN DAN in Vietnamese 14 Jul 83 pp 1, 4

[VNA report]

[Summary] "The Central Committee for Settlement of Nomads [Ban Dqinhj Canh Dqinhj Cuw Trung Uwong] recently convened a conference in Buon Ma Thuot City (Dac Lac Province) to review the Nomad-settling task over the past 6 months in three central highland provinces--Lam Dong, Dac Lac and Gia Lai-Cong Tum--and seven southern provinces--Binh Tri Thien, Quang Nam-Danang, Nghia Binh, Phu Khanh, Thuan Hai, Dong Nai, and Song Be.

"During the past 6 months, these 10 provinces have made remarkable progress in settling thousands of tribal nomadic families and helping them build new lives."

In the three central highland provinces, some 6,460 tribal families have settled in new, permanent places. They have received financial assistance from the provincial authorities to plant coffee and rice or engage in afforestation for the state.

The other seven coastal and eastern Nam Bo provinces have provided capital, labor and materials for their mountainous districts to do irrigation work, build roads, schools and clinics, and to break virgin land to help the new settlers stabilize their lives.

The conference pointed out many specific measures aimed at resolutely making the 1983 Nomad-settling plan a success."

CSO: 4209/506

AGRICULTURE

VO VAN KIET SPEAKS AT AN GIANG CONFERENCE

BK151002 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Aug 83

[Text] An Giang Province has just convened a conference to discuss measures for accelerating intensive cultivation and exploiting the potential of its floating rice area. Comrade Vo Van Kiet, member of the CPV Central Committee Political Bureau, vice chairman of the council of ministers, and chairman of the State Planning Commission, attended and addressed the conference.

Invited to participate in the conference were representatives of a number of provinces having large floating rice areas such as Dong Thap, Hau Giang, Minh Hai, Kien Giang and Long An; and representatives of the Mekong River Delta Agricultural Scientific-Technical Center and the Can Tho University.

An Giang Province has a fairly large floating rice area in the Mekong River delta. This area represents nearly half of the province's cultivated area. Since liberation, An Giang Province has cultivated about 100,000 hectares of floating rice each year. Because of the absence of intensive cultivation measures, the province's floating rice output has reached only 1 to 1.3 metric ton per hectare. Based on the experiences acquired by some production establishments, the provincial party and people's committees have adopted new guidelines on thoroughly exploiting the floating rice potentials. These guidelines consist, among other things, primarily of accelerating intensive cultivation in order to increase and output and production of the floating rice crop. Districts of the province will strive, by 1985, to carry out mixed crop and crop rotation cultivation methods on 80 percent of the floating rice area.

Speaking to the audience, Comrade Vo Van Kiet stressed the important role of the floating rice area of An Giang Province, citing favorable conditions for carrying out intensive cultivation and exploiting the great potentials of this area. The comrade said: To satisfactorily exploit this floating rice area is actually to carry out an important scientific-technical project. Therefore, the scientific-technical sector and particularly the Mekong River Delta Agricultural Scientific-Technical Center, the Can Tho University and the various sectors in the province must concentrate on studying and applying new cultivation measures in order to bring about practical results for the economy of An Giang Province in particular, and for the economy of the Mekong River Delta in general.

CSO: 4209/507

AGRICULTURE

AGRICULTURAL ACTIVITIES OVER PAST 10 DAYS LISTED

OW161141 Hanoi Domestic Service in Vietnamese 1100 GMT 10 Aug 83

[Summary] "Dear friends' following are some noteworthy facts about agricultural production activities over the past 10 days:

"The general statistics department report shows that, by 5 August, sowing and transplanting had been done on 1.8 million hectares for the 10th-month rice crop, or 54.8 percent of the plan norm.

"Thanks to last week's rain in the north, the rate of transplanting the 10th-month rice crop was faster than in the previous 10 days. An average of 40,400 hectares was transplanted daily. If such a transplantation rate is maintained, it is expected that, by the time the autumn weather sets in, the northern provinces and municipalities will have completed transplanting from 80-85 percent of the plan norms."

Overfulfillment of the transplanting norms has been noted in Hai Hung and Ha Nam Ninh provinces.

Due to irregular rain distribution, some 40,000 hectares in former zone 4 from Thanh Hoa southward are still suffering from drought.

Heavy rains have caused waterlogging on 30,000 hectares in Ha Bac, Hai Hung, Ha Nam Ninh, Ha Tuyen and Bac Thai. Thanks to intensive antiwaterlogging activities, the affected area has decreased.

Along with the transplanting, localities have tended the rice. Weeding and fertilization have been carried out in about 15 percent of the planted area.

Another noteworthy fact is that last week, the water levels in the northern rivers rose very high, prompting the issuance of level-three alert, and localities along with the transplanting. The dike system was well protected and minor damage was promptly repaired.

"So far, the southern provinces have carried out sowing and direct sowing-planting on 900,000 hectares for the 10th-month rice crop, or 40 percent of the plan norm. In Gia Lai, Cong Tum, Nghia Binh and Dong Thap Provinces, about 90 percent of the planned acreage has been cultivated. Long An and

Thuan Hai Provinces and Ho Chi Minh City, with the slowest cultivation rate, have transplanted only on a couple of thousand hectares. The slow transplanting work was due to water shortage in some areas. In the south, nearly 1.2 million hectares remain to be transplanted."

All localities must accelerate transplanting to complete it before the growing season ends.

The southern provinces and municipalities have begun reaping the summer-fall rice crop. Extensive harvesting has been done in the central provinces, with each province completing harvesting on nearly 1/2 its planted acreage.

The Nam Bo provinces have completed harvesting from 8 to 10 percent of the cultivated acreage, with an average yield of 30-32 quintals of paddy per hectare.

"Regarding the cultivation of secondary and industrial crops; so far; 330,000 hectares have been cultivated countrywide, with more than 70,000 hectares in the north, and 260,000 in the south."

Next week's sporadic rain and sunny weather will be favorable for production. All localities should concentrate efforts on completing transplanting in the remaining areas. Rice tending and insect control should also be carried out.

Precautions must be taken to prevent the planted area from being affected by waterlogging. Reserve seeds must be secured, just in case more seedlings are needed because of waterlogging. Preparations must be made for the winter crop.

The southern provinces should concentrate efforts on transplanting the 10th-month rice crop, tend the planted rice and promptly protect it from drought, waterlogging and insect ravages. The ripened summer-fall rice should be quickly harvested, and discharge of the grain obligation to the state should be promptly carried out. Cultivation of the secondary and industrial crops should be continued until the growing season ends.

Stockbreeding should be developed further countrywide, with proper care given, primarily to buffalo and cattle, and adequate vaccination of domestic animals during the fall crop.

CSO: 4209/507

HEALTH, EDUCATION AND WELFARE

EDUCATION DEVELOPS IN HO CHI MINH CITY

OW211700 Hanoi VNA in English 1519 GMT 21 Aug 83

[Text] Hanoi, VNA, 21 August--In the 8 years since liberation, education in Ho Chi Minh City has been steadily developed both in quantity and quality, in the city wards as well in suburban districts. The municipal education service has been awarded the labour order four times and many merit certificates by the council of ministers.

Most noteworthy is the development of kindergartens, from only a few privately-owned infant classes before liberation, the city now has 385 kindergartens (?) serving) for 110,000 children. This represents 44.4 percent of the children of school age.

Free education began immediately after liberation, creating conditions for all children to go to school.

General education schools have increased rapidly, particularly in the suburban districts. The city now has 469 primary and junior high schools and 46 senior high schools with an enrollment of almost 800,000, 147 primary and junior high schools and 16 senior high schools have been built in the suburban districts compared with only a few primary and junior schools previously, almost 200,000 children on the city's outskirts are going to school.

Besides three study-labour schools, the city has built ten practice centres and scores of general technical education and vocational orientation centres in precincts and districts.

In the past years, graduation rates averaged 90 percent at junior high schools and 85 percent at senior high schools. In annual national competitions of gifted students the teams of Ho Chi Minh City have won high prizes. Particularly in 1981-1982, a student of the city won first prize at an international physics contest.

With a view to providing schooling to all children of school age, the education service in co-operation with the local authorities, mass organisations and population has given particular care for children of needy families. The city has opened 1,376 evening classes for 45,000 such children who represent 54.7 percent of the children left uneducated by the old regime.

Further education is another major concern of the city's educators. Two years after liberation, through the movement called "the light of culture," the city basically eradicated illiteracy. At present, 400 complementary education schools for workers and other working people are functioning at wards and villages and 56 full-time complementary schools for key cadres. Enrollments at these schools vary from 6,000 to 8,000 a year. In the past 8 years, more than 8,000 ward or village cadres have completed their education at full-time adult schools. Big efforts are being made to help the new literates complete primary education.

To meet the quick development of education, the city has built five schools to train teachers and managerial cadres for basic general schools, in the past 8 years, more than 14,600 young teachers have graduated from these schools.

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